

**2022708193**

**D** SCIENCE &  
ENVIRONMENTAL  
ISSUES

## SOLID WASTE/PACKAGING LEGISLATION (4/89)

### STATUS

State and local governments are attempting to solve the ever-growing problem of dwindling landfill capacity. From the 1970's to 1980, nearly a dozen states passed litter control, recycling, and solid waste disposal programs funded through a variety of taxes. These taxes were assessed on manufacturers, wholesalers, or retailers of products deemed to contribute to the litter problem. Most of these laws have been repealed or replaced with "bottle bills" requiring refundable deposits on containers.

In 1987, two new approaches to litter control were devised: Solid waste management and the prohibition of certain chemicals in packaging materials. Legislation limiting the use of certain materials in containers and packaging was introduced in 1987. Bills to tax containers and packaging materials, including cigarette packaging, were introduced in eight states during 1988. Most, however, were given little attention or were amended to limit the scope of affected products. Florida enacted a comprehensive solid waste law that includes a package tax to be imposed in 1992 if certain recycling goals are not met. Measures limiting the use of certain materials in containers and wrappings have been proposed in four states but were not considered seriously in 1988.

Nineteen states have enacted some form of solid waste management legislation: Arizona, California, Connecticut, Hawaii, Illinois, Louisiana, Maryland, Maine, Michigan, Minnesota, New Hampshire, Oklahoma, New Jersey, Ohio, Rhode Island, Tennessee, Virginia, Washington, and Wisconsin.

On the local level, an ordinance in Suffolk County, New York, in 1988, banned the use of nonbiodegradable plastic bags. A similar ordinance was passed in Nassau County, New York. In addition, Portland, Oregon, Berkeley, California, and Washington, D.C. have passed legislation dealing with the solid waste issue.

At the federal level in 1988, the Senate Environmental Protection Subcommittee of the Committee on Environment and Public Works held hearings on the "Waste Minimization and Control Act of 1988." The measure would have imposed a fee on virgin materials used for packaging of \$7 per ton on packaging materials or .07 cents per rigid container. Several bills were also introduced in the U.S. House of Representatives addressing various elements of the solid waste issue. All of these bills died with adjournment.

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SUMMARY ARGUMENTS

1. Restrictions on packaging materials could ban the use of certain materials in packaging tobacco products with no feasible alternative materials available as substitutes, and with little or no environmental benefit. Such restrictions will serve only to disrupt and lessen the effectiveness and superiority of the current system. In fact, packaging practices developed in the last decade have substantially reduced the amount of materials entering the waste stream.
2. Packaging taxes would increase the cost of packaging products and result in price increases in tobacco products. Taxing packaging materials as a means to fund solid waste programs and raise state revenues is unfair because it unfairly targets specific products and industries. Furthermore, packaging taxes and product bans will not solve or even address the solid waste disposal problem.
3. Biodegradable materials may actually undermine recycling efforts since their life spans are shorter. Sanitary landfill studies have shown that the biodegradability of certain products is not a favorable characteristic because (1) the anaerobic conditions of existing landfills impede the degrading process of degradable products, and (2) many biodegradable products produce dangerous explosive gases and contaminated runoff when they eventually decompose in landfills. Furthermore, leachate from biodegradable materials can contaminate water tables.
4. A report on New York by the Public Policy Institute, "Dealing with Solid Waste," concludes that it is "far from certain that market intervention will provide overall benefits in terms of waste disposal" and "New York can effectively manage its solid wastes without substantial changes in business and consumer behavior."<sup>1</sup> It recommended more in-depth research to determine the long-term social economic costs of solid waste.
5. The Resource Conservation Committee concluded that a national waste generation fee "would have a low project impact on material uses, recycling and disposal; would present complex administrative problems; and it would be difficult to design a system of charges and exclusions that achieved the theoretical goal of tax equity."

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<sup>1</sup>"Dealing With Solid Waste", The Public Policy Institute, 1988.

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PROPOSITION 65 -- TOXIC ENFORCEMENT ACT (4/89)

STATUS

The recent passage of California's Proposition 65, The Safe Drinking Water and Toxic Enforcement Act, has introduced an unprecedented form of state regulation of consumer products. The Act contains two basic provisions: (1) a prohibition against discharging listed chemicals into sources of drinking water, and (2) a requirement that businesses provide 'clear and reasonable' warning whenever they expose a person to a listed chemical. (The Governor of California is required to publish a list of chemicals known to cause cancer or reproductive toxicity and to update the list periodically.) Enforcement is left primarily to the Attorney General's Office, but a provision in Prop 65 allows any interested citizen to sue to enforce the Act if the state authorities do not do so after being notified of an alleged violation. Citizens who bring suits are entitled to 25 percent of the assessed penalties.

In April 1988, the California list of chemicals was revised to include "environmental tobacco smoke" and smokeless tobacco products as carcinogens, and "tobacco smoke" as a reproductive toxicant. Effective April 1, 1989, all businesses with 10 or more employees where tobacco smoke or products are present will be required to post signs that read: "Warning: This area contains a chemical known to the state to cause cancer or reproductive toxicity." Following legal action by state authorities in September 1988, cigar and pipe tobacco companies agreed to place Prop 65 warning labels on their products.

Since 1987, legislation modeled after Proposition 65 has been proposed in eight states; Hawaii, Illinois, Louisiana, Massachusetts, Michigan, Missouri, New York, and Tennessee. In 1988, a Proposition 65-type initiative petition was readied for ballot in Colorado, but was later withdrawn. To date, none of these measures have been adopted.

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SUMMARY ARGUMENTS

1. Proposition 65 Warnings Are Misleading And Alarm The Public About Products That Are Safe. This type of legislation applies to thousands of everyday products that are lawfully marketed, and has created a massive burden for companies doing business in the state. The law exposes businesses to the risk of protracted costly litigation, merely to establish that lawfully marketed products are safe and do not pose a health problem.
2. Products Containing Significant Amounts Of Harmful Chemicals Are Already Regulated Under Most State Laws Or By Federal Government Agencies Including The FDA, The USDA, And The EPA. These laws have a long history of supervision by the responsible agencies.
3. This Type Of Legislation Will Result In Regulating Minute Amounts Of Chemicals At Enormous Cost, With Little Or No Benefit To The Public Health. It constitutes poor public policy because it misleads the public, imposes burdensome and costly labeling requirements on industry, and drives up consumer prices without any corresponding social benefit.
4. There Is An Inadequacy Of Scientific Evidence To Support A Listing Of Environmental Tobacco Smoke Either As A Carcinogen Or As A Reproductive Toxicant. All of the studies implicating ETS and alleged health risks have been epidemiological studies. The International Agency for Research on Cancer stated, "The observations on nonsmokers that have been made so far are compatible with an increased risk from passive smoking or an absence of risk." In other words, no conclusion can be made.
5. Companies Seeking To Market A Product On A Nationwide Basis Will Face Inconsistent And Conflicting Regulations From State To State. Such regulations seriously disrupt interstate commerce and serve no useful public purpose.
6. Proposition 65 Is Based On False Assumptions Concerning Risks. Proposition 65 is based on the belief that most carcinogens are manmade, thus it is possible to eliminate or limit personal exposures to these substances. However, natural carcinogens are present in foods such as peanut butter, beer, mushrooms, and many vegetables. According to Dr. Bruce Ames, member of the Science Advisory Panel for Proposition 65, the number of carcinogens produced by cooking is several hundred times greater than the amount of carcinogens inhaled by breathing severely polluted air.

2022 RELEASE UNDER E.O. 14176

SMOKING CITED AS A "CAUSE" ON DEATH CERTIFICATES (4/89)

SUMMARY

An administrative act, passed by the Oregon Department of Human Resources in 1987, requires that a box be placed on the state death certificates to indicate whether or not smoking contributed to the death. On December 6, 1988, the American Medical Association held a conference and issued a public statement urging other states to adopt similar provisions.

In December 1988, Illinois Representative Matijevich prefilled HR 5, which would require the state to place on death certificates a box asking "Did tobacco use contribute to the death?" Proponents of the bill believe that this would allow Illinois to directly account for the deaths caused by smoking. On April 1, 1989, Nebraska adopted an administrative act requiring that death certificates indicate whether or not smoking contributed to the death. Similar legislation is pending in Massachusetts, Minnesota, Nebraska, New York, New Jersey, and Illinois.

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## SUMMARY ARGUMENTS

### **1. Smoking Is Not A Disease.**

Causes of death listed on a death certificate are classified and grouped according to the International Classification of Disease (ICD). The underlying cause is defined as "a disease or injury which initiated the train of morbid events leading directly to death." The term is specifically required to reflect the diagnostic term, or cause of death. Smoking is not listed as a classification.

### **2. Smoking Is Neither A Sufficient Or Necessary Cause Of Disease.**

Many factors are associated with the development of disease, and smoking has never been demonstrated to be a causal agent of disease. Multifactoriality complicates the attribution of risk to a particular factor. Even if smoking were a contributory factor to illness and premature death, it would be inaccurate to place the entire blame on smoking. The Surgeon General's 1964 report summarized this by stating, "Statistical methods cannot establish proof of a causal relationship in an association."

### **3. Mortality Data Often Contain Errors And Inaccuracies.**

Persistent errors in the diagnosis of cancer as recorded on death certificates continue to cast doubt on the validity of claimed mortality patterns and trends related to smoking. Death certificates are often materially inaccurate and research based on them may not be factual. In a recent study, medical researchers reviewed autopsy reports and medical records for 272 patients. They determined the underlying cause of death was inaccurately stated on the death certificate in 29% of the cases, and in an additional 26% of the cases the death certificate and the autopsy report attributed death to a different specific disease. Therefore, if smoking is listed as a cause for death, the information used in mortality studies will become more distorted.<sup>1</sup>

### **4. Smoking Would Become A Scapegoat.**

Even though smoking is not a disease, its presence on the death certificate would allow doctors to use it as a scapegoat for cases where uncertainty exists. They may be moved by emotion rather than scientific information or professional judgment in determining whether tobacco contributed to death.

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<sup>1</sup> "Surgeon General's Report on Smoking and Health," 1964.

<sup>2</sup> Kircher, Robert, "The Autopsy as a Measure of Accuracy of the Death Certificate," New England Journal of Medicine, 1985.

5. **Death Certificates Are Legal, Not Scientific, Documents.**  
Dr. Sheldon Sommers, noted pathologist, regards death certificates as legal, not scientific documents. "Without an autopsy, the information should not be regarded as a scientific conclusion. And, by adding more propaganda to it (the death certificate), it will no longer have a medical function."<sup>3</sup>
6. **Death Certificates Are Being "Politicized."**  
Dr. Zako, Professor at the University of Michigan School of Public Health, states "individual rights might be damaged if in the future special interest groups wanted to change death certificates to contain information about whether such things as homosexual activity contributed to the cause of death of an AIDS victim." Soon, there will be other demands for detailed questions about "diet," which the Surgeon General has identified as a contributing factor in the deaths of nearly 1.4 million Americans each year.<sup>4</sup>
7. **No Single Factor Is Solely Responsible For A Disease.**  
Modern medicine recognizes that the development of disease is the result of many factors. These factors include genetic makeup, diet, occupation, life-style, physical activity, as well as personality. Based on this view, singling out smoking as the only contributing factor is inaccurate and misleading. Using this logic, beef should be listed as a contributing factor in a death of a heart disease patient because of its high cholesterol content; suntan because of the correlation between sunlight exposure and cancer; salt and its relationship to high blood pressure, etc.
8. **Detection Bias Contributes To The Confusion Between The Actual Frequency Of A Disease And The Inaccurate Labeling Of Contributing Agents.**  
The "apparent increase" of a disease attributed to an agent can be explained by the increased medical attention and the number of diagnostic tests conducted as a result of hospitalization. The increase actually reported is a result of detecting "silent" diseases, which are underreported in the general, unhospitalized population. The net effect is an increase in the frequency of a disease associated with a suspected agent. "Investigators get data about the occurrence of diagnoses not the occurrence of diseases, and the rates of diagnoses may be affected by the bias in the way the doctors order and deploy the available diagnostic technology." To illustrate by

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<sup>3</sup>Council For Tobacco Research

<sup>4</sup>American Medical Association Newsletter, December 1988.

<sup>5</sup>Researchers, Feinstein and Wells, 1974.

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analogy: are higher crime rates happening because crime is really increasing, or are people just reporting it more? Are there more homeless people or are they just more visible?

9. **Listing Tobacco On Death Certificates Could Have Disastrous Consequences For The Family Of The Deceased.**

Misattribution of the death can deprive survivors of benefits to which they are entitled. For those persons who are insured on the basis of representation that they suffer from no alcohol, drug, or AIDS-related conditions, a death certificate statement that one of these conditions contributed to death could result in denial of benefits. Costly and protracted litigation could be required to settle the dispute.

10. **By Complicating The Classification Process On Death Certificates With "Judgment Calls," Doctors Will Be Held Legally Accountable To Families And Insurance Companies To Prove The Exact Cause Of Death Was Accurate.**

Not only will this be impossible, it will substantially increase the number of malpractice suits.

11. **Methods Of Researching Causation Need To Be Substantially Improved To Produce Trustworthy Scientific Evidence.**

Since the methods of collecting medical data for death certificates are not universally accepted, forcing a physician to make a judgment can only exacerbate the current problem of inconsistent information. An official at the National Center For Health Statistics stated, "This might scramble the national data more than clarify it and a little more discussion might have been useful."<sup>6</sup>

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<sup>6</sup>"Death Forms in 2 States Ask About Tobacco Use,"  
The New York Times, January 27, 1989.

## SCIENCE FRAUD (4/89)

### STATUS

"Publish or perish." In the pressure-cooker world of scientific research infiltrated by zealots and public relations firms, research fraud and plagiarism are a big problem--and a growing one. In a 1986 survey, June Price of UCLA found that 33% of scientists polled suspected a colleague of tinkering with or faking data. Moreover, more than half of those surveyed said they believe a case of fraud would be covered up by university officials.

The science fraud problem has been so pervasive that within the past year several steps have been taken to control it:

1. In December 1988, the American Medical Association Council requested that guidelines be established to prevent scientific misconduct. The Council also called for the promotion of structured discussions of ethics, the peer review process, and the role of the physician investigator. (Food Chemical News, January 16, 1989)
2. In January 1989, the Association of American Universities issued new guidelines to "distinguish fraud from the honest error and the ambiguities of interpretation that are inherent in the scientific process." The members of the Association consist of the recipients of more than 60% of all National Institutes of Health grants. (Nature, January 1989)
3. On February 13, 1989, a committee of the National Institute of Medicine released a report stating, "There is an exclusively permissive attitude by institutions to allow careless and even fraudulent medical research. Institutions fail to detect and correct early deviant behavior primarily because of an exclusively permissive research environment that tolerates careless practices." The committee made sixteen recommendations to correct the problem. (The New York Times, February 14, 1989)
4. Congressional forces, uncomfortable with the recent fraud investigation by the National Institutes of Health (NIH) of Nobel Prize Winner David Baltimore, MIT, are planning to introduce legislation that would strip the watchdog role from the NIH and place responsibility under a new office, Scientific Integrity and Review. According to a Congressional aide, "the system clearly exhibits the appearance of the proverbial 'fox guarding the chickens,'" referring to the present dual role of the NIH as both funding source and watchdog.

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## SUMMARY ARGUMENTS

### **1. The Problem Is Endemic.**

It is not a case of a few bad apples, but one of a system gone wrong. As Dr. Robert G. Petersdorf, Dean of the School of Medicine and Vice Chancellor for Health Sciences at the University of California at San Diego, said, "Science in 1989 is too competitive, too big, too entrepreneurial, and bent too much on winning."<sup>1</sup> Princeton University's Patricia Woolf added that fraud is found at the best universities. "Where research excellence is emphasized and where professors publish considerably more papers than is the norm ... [many of those caught cheating were publishing] at a pathological rate."<sup>2</sup>

### **2. Public Funds Are At Stake.**

Dr. William F. Raub of the National Institutes of Health, which finances most of the nation's biomedical research, said that his federal office gets about two complaints a month. Raub noted that "each one of these is threatening to the integrity of science."<sup>3</sup>

### **3. Fraud Refocuses Society's Attention On The Negative Side of Science.**

Fraud in science not only leads to wasted time and money, but also to diminished respect for the quality of research in general. Fraud can cause harm to patients whose treatments are based on faulty information. "In an era when America appears to be losing its competitive edge in science and, indeed, is falling behind, the prestige of science as a profession is at an all-time low."<sup>4</sup> (Chicago Tribune, November 15, 1988)

## IMPACT

Although the extent of scientific dogma that is based on fraudulent or lax standards is unknown, the fact that the integrity of science is being questioned by Congress, by university associations, as well as scientists themselves is a cause for concern. Some recent publications about the alleged health effects of ETS on nonsmokers are, at the very least, candidates for a debate on lax scientific standards. Since some scientific results are questionable, it should be necessary to verify the validity of these studies before initiation of a legislative solution.

John C. Bailer, former editor of The Journal of the National Cancer Institute, said many scientists distort data that contradict their theories or use improper statistical methods that will give them the most favorable result. Bailer reported that some researchers do repeated experiments until they finally get their desired result, possibly by chance. Then, Bailer said, they report only that result.

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PURPORTED SOCIAL/HEALTH-CARE COSTS ATTRIBUTABLE TO SMOKING (4/89)

"Nonsmokers Do Not Pay An Economic Price For Smoking."

The New York Times

(editorial, 3/13/89)

STATUS

Anti-smokers define "social cost" as the cost of an activity to the consumer, plus the sum of the value of the consequences of an activity in excess of those costs borne by the consumer which accrue to everyone else. One of their prominent accusations is that smoking "costs society billions of dollars each year." This charge is hurled about wildly with figures ranging from \$49 billion to \$100 billion. All the social cost figures associated with smoking appear to originate in a 1978 article by Bryan Luce and Stuart Schweitzer (two health-care economists), "The Economic Cost of Smoking Induced Illness," published by the U.S. National Institute on Drug Abuse.

To calculate the health-care costs, Luce/Schweitzer took a 1976 study by Cooper and Rice which estimated the direct (medical care) and indirect (productivity loss due to death or incapacitation) costs in 1972 of 16 major diagnostic categories without regard to cause. Luce/Schweitzer took a second 1976 study by Boden that estimated "the percentage of major disease categories due to environmental problems, including smoking." They multiplied the Cooper/Rice figures by the Boden percentages for smoking and then adjusted the dollar figures by the change in the Consumer Price Index (CPI) since 1972. In addition, Luce/Schweitzer added the retail dollars spent on tobacco products (\$15.7 billion in 1975) to produce a grand total cost of smoking of \$41.5 billion.

Every "new" social cost estimate has been derived by multiplying the Luce/Schweitzer figures by the rate of inflation. Since the CPI had almost doubled between 1978 and 1985, so, too, have the cost estimates for smoking. In 1985, the Office of Technology Assessment did a paper titled "Smoking-Related Deaths and Financial Costs," which incorporated various studies and produced a "new" estimate of \$65 billion.

<u>Year</u>	<u>Source of "New" Estimate</u>	<u>Costs in Billions</u>
1978	Luce/Schweitzer	\$25.9
1983	Warner	\$49
1985	Office of Technology Assessment	\$39.95

Seeing how the social cost issue developed, it's also easy to see how it has spread: federal, state, and local cigarette excise tax bills are proposed and passed with the ostensible goal of making smokers shoulder more of the burden of the alleged social cost of smoking. Businesses, believing they will increase productivity and limit insurance and health care costs, are prohibiting and even banning smoking at an accelerating rate.

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## SUMMARY ARGUMENT

1. Taken To Its Logical Conclusion, The Social Cost Theory Can Be Used to Justify All Manner of Government Intervention In Private Business And Individual Behavior. The most germane example is illustrated by current medical care and national health insurance systems which do not require users to pay according to the amount of health care received. Adoption of the social cost approach to healthcare would in contrast demand that people requiring more medical assistance, such as diabetics or those with kidney ailments, be taxed more heavily to pay for their own care. This would justify government getting involved and create a premise for future intervention.
2. There Is No Legal Basis For Legislating (in either public or private policy) On Social Cost Grounds. No court has upheld the social cost argument as a viable legal theory. In fact, in June, the Commissioner of the Minnesota Department of Human Rights found that DCA Inc.'s policy of hiring only nonsmokers, on the basis that smokers are more likely to become disabled or ill, was in violation of the state's Human Rights Act.
3. Medical Risks Are Associated With All Sorts Of Personal Behavior. Should those who don't exercise pay more taxes? A recent government study estimates that obesity costs society approximately \$27 billion a year. Should those who take a vacation by car pay more taxes? The government estimates these vacations cost society \$114 billion a year, not including road repairs. What about those who pay for medical services but don't use them? Should they receive tax rebates? It is a fact that lower income groups impose a relatively heavier burden on the health insurance system than higher income groups because of greater reliance on the public healthcare system. Should the government then increase taxes on the poor?
4. Inappropriate Causal Attributions Of Diseases To Smoking. Many factors are associated with the development of disease, and smoking has never been demonstrated to be a causal agent of disease. Multifactoriality complicates the attribution of risk to a particular factor. Even if smoking were a contributory factor to illness and premature death, it would be quite inaccurate to attribute to smoking the whole of the associated costs.

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5. **There Is False Counting.** A study by Dr. Robert Kircher, published in the New England Journal of Medicine, analyzed the methodology for calculating mortality figures and concluded that "the underlying cause of death was inaccurately stated on the death certificate in 29% of the cases."<sup>1</sup>
6. **The Largest Component Of Social Cost Estimates Comes From The Indirect Costs Associated With Smoking.** These costs are virtually always derived from lost productivity estimates. No solid data exist linking smoking to decreased productivity. Indeed, one study found that "people who smoke tend to be more productive than those who do not." A Swiss study found that reported differences in absence from work between smokers and nonsmokers disappeared when social class was considered.
- Moreover, a recent survey by the Bureau of National Affairs showed that 3% of those companies that banned smoking reported a decrease in productivity after implementing a no-smoking policy, and the vast majority, 89%, reported no effect on productivity.
7. **These Alleged Social Costs Would Be Borne By Smokers Themselves.** The New York Times, March 13, 1989, reported, "Nonsmokers do not pay an economic price for smoking." And even if one insists on believing in a relationship between smoking and decreased productivity, lost production is a private, not a social cost. To count this cost also as a social cost would be to count the same amount twice, thus grossly inflating the "social cost" estimates. Robert Tollison, Director of the Center for Study of Public Choice at George Mason University, states, "When any worker, for whatever reason, is less productive than another, that worker is going to earn less and not be promoted. Society doesn't pay the cost of that worker's low productivity, the worker does, by earning less money."<sup>4</sup>

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<sup>1</sup> Kircher, Robert, "The Autopsy as a Measure of Accuracy of the Death Certificate," New England Journal of Medicine, 1985.

<sup>2</sup> Where There's Smoke: Problems and Policies Concerning Smoking in the Workplace," Bureau of National Affairs, 1987.

<sup>3</sup> "Safer Cigarettes", The New York Times, March 13, 1989.

<sup>4</sup> Tollison, Robert, ed., Smoking and Society, Toward A More Balanced Assessment, D.C. Heath and Company, Lexington, Massachusetts, 1986.

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8. On March 17, 1989, The New York Times reported the findings of a Journal of American Medical Association (JAMA) study stating, "Taxes on cigarettes cover the costs imposed on society by smoking."<sup>5</sup>
9. Most Current Social Economic Analyses Serve Political Rather Than Economic Ends. A 1985 study by the Office of Technology Assessment (OTA) is frequently cited by anti-smokers to justify increased legislation. Independent researchers dispute their conclusions, noting that the basis of the report is inconclusive, contains inaccuracies, and relies on incorrect assumptions. For example, some noted that the OTA confused "private costs" with "social costs,"<sup>6</sup> and ignored other considerations, such as demographics.
10. No Attempt Made To Offset Alleged Costs By The Economic Benefits Generated By The Tobacco Industry. Over 2.3 million jobs are generated by the industry and by expenditures on tobacco products. The industry contributes over \$82 billion per year to the U.S. GNP, and generates \$45 billion in wages. Federal, state, and local governments collect over \$10 billion per year in cigarette taxes, and an additional \$20 billion<sup>7,8</sup> in other tax revenues related to the tobacco industry.

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<sup>5</sup> "Taxes Fail to Cover Drinking's Costs, Study Finds," The New York Times, March 17, 1989.

<sup>6</sup> "Smoking Related Deaths and Financial Costs," Office of Technology Assessment, 1985.

<sup>7</sup> The Tax Burden on Tobacco, Tobacco Institute, 1989

<sup>8</sup> "The Economic Impact of the Tobacco Industry on the United States," Chase Econometrics

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## SOCIAL ACCEPTABILITY (4/89)

### STATUS

When science reports, and the mass media publicize, arcane and remote risks, the public comes to focus on each. The government then responds with legislation, regulation, and research funds, which reinforce the public perception of the risk's significance. The inability to disaggregate and weigh risk factors precisely, contributes to the pervasive sense of being at risk. Whole groups of people whose practices arouse risk fears are ostracized. Some members of the public label boundaries ("don't pollute my airspace"), they demand segregation based on their risk perceptions ("no smoking section, please"), and they torment those who don't share their risk perceptions ("you'll die if you don't stop smoking, start exercising, stop eating red meat...").

This growth in risk consciousness is largely a product of modern society's success in reducing serious risk. The very risks upon which so much attention is focused are those which, even if eliminated, would not significantly improve life expectancy. "The airwaves, the printed page and public lectures bombard us constantly with apprehensions and fears about our well-being. Almost everywhere you turn you find the once-conservative medical profession creating demands and huckstering claims, that were, only so recently, not only unethical but unthinkable." (Washington Post, 4/17/88)

The Wall Street Journal (3/17/89) concludes:

"The witchcraft tales have been drummed into the American psyche these past twenty years principally by environmental groups flogging issue after issue as threatening America with an Apocalypse of cancer and disease."

The Economist (6/18/88) sums up the issue:

"A remote beach on the Bahamas is probably a better bet than Wall Street if you want to avoid a way of life that is likely to fell you with a heart attack. On the other hand, if you do succumb on a Bahamian beach, you are less likely to be resuscitated promptly than if you had keeled over in Manhattan."

Maybe public policy would be better served if the public were given a chance to think rather than reasons to panic.

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## SUMMARY ARGUMENTS

1. In lawmaking bodies, the opportunity for media attention offered by the smoking issue is difficult for some legislators to resist:

### State and Local Smoking-Restriction Bills

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Debated	149	165	165	206	289	374	395	492	411
Enacted	33	45	46	67	69	140	156	197	130

Source: The Tobacco Institute

Smoking is perceived as a health risk to nonsmokers. Therefore, the modern anti-smoking crusaders are satisfied only by driving smokers from society. For all their moralizing they care little about the smoker, but much about themselves. Thus, the anti-smoking movement is fundamentally immoral and elitist.

2. Environmental advocates and consumer movements have encouraged Americans to search for the impossible: a risk-free society. Without risks, life would not be worth living. Aaron Wildaukski, a professor of political science at the University of California at Berkeley, and the author of "Searching For Safety," contended that since all innovation requires risk, a search for absolute safety would inevitably impede both economic and scientific progress.
3. Businesses tend to accommodate "life-style" wishes of vocal employees if for no other reason than to avoid lawsuits. Indeed, the litigious character of post-1970 American society has contributed to the declining social acceptability of smoking. Legal actions create an economic incentive for business to proscribe personal activities that are perceived to be harmful to health and potential grounds for lawsuits or disability claims.
4. Most risk assessments are judged as political questions, not abstract theoretical matters, in which power and economic interests can matter as much as science and calculations.
5. As social acceptability is redefined according to risk perception, and virtually everything contains some level of risk, more and more activities become socially suspect. For example, experts claim natural is better, yet natural foods contain toxins, mutagens, and carcinogens. If no level of risk can be tolerated, then the serious risks and the real problems become obscured: the ozone, water/air pollution, solid waste, hazardous waste, the "greenhouse effect," etc. In cases of minute danger, it is time to reevaluate the saying, "Better to be safe than sorry."

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### CLAIMS OF "ADDICTION"

#### STATUS

The U.S. Surgeon General's Report, "The Health Consequences of Smoking: Nicotine Addiction", was released in May 1988. This report "examined the scientific evidence that cigarettes and other forms of tobacco are addicting."

The report made several "conclusions":

- Tobacco products, including cigarettes, are "addictive".
- Many smokers have difficulty in quitting, due in large part to the "addicting" properties of nicotine, which the Surgeon General's report claims are in all tobacco products.
- According to the report, the process which determines tobacco "addiction" is similar to that which determines addiction to other drugs such as heroin and cocaine.

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## SUMMARY ARGUMENTS

1. Numerous Experts Have Argued That The Evidence Labeling Tobacco As An "Addiction" Is Scientifically Inconclusive.
  - The 1988 Surgeon General's report used the argument-by-analogy philosophy to define tobacco as an "addiction". Dr. David Warburton, a contributor to the Surgeon General's 1988 Report, who was unhappy with the editorial changes made to his paper on addiction, summarized Dr. Koop's effort as follows:

"[T]he Surgeon General has ignored the discrepancies in his enthusiasm to find criteria to compare nicotine use with heroin and cocaine use...."

"However, many aspects of nicotine use, in its most common form of cigarette smoking, contradict his argument by analogy that nicotine use is the same as heroin use or cocaine use."

He also states:

"Of course, nicotine use can be called an 'addiction'; someone like the Surgeon General, just has to say that it is...However, the most important measure for a scientific claim is experimental verification, not political pronouncements, however masterful."<sup>3</sup>

- S. Schachter, an American Researcher, writing in a research monograph of the U. S. National Institute on Drug Abuse (NIDA) concedes:

"Most of us who do research on smoking have at some time championed the hypothesis that cigarette smoking, with nicotine as the active agent, is an addiction. Sometimes, however, it is difficult to figure out why that conviction is so strong. The data supporting the proposition are not particularly good; in fact, looked at with a ruthless eye, they are rather flimsy."<sup>4</sup>

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<sup>1</sup> Warburton, D. M. "Is Nicotine Use An Addiction?", The Psychologist, April 1989, (pp. 166-169).

<sup>2</sup> Ibid, p. 169.

<sup>3</sup> Ibid, p. 169.

<sup>4</sup> Schachter, S., "Regulation, Withdrawal, and Nicotine Addiction", in Krasnegor, N.A. (ed.) Cigarette Smoking As A Dependence Process, NIDA, (January 1979) op. cit. p. 123.

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- Michael Russell of the U.K. Addiction Research Unit, a firm believer that people smoke "to absorb nicotine," nevertheless states:

"If we could prove that nicotine is what smokers seek, we could be confident ... Unfortunately this is not the case and we cannot escape the nagging fact that powerful addictive syndromes occur where pharmacological factors clearly play no part. One does not have to look far for examples such as gambling, nail-biting, and the desire for sweet tastes or high-fat and high-cholesterol foods."<sup>5</sup>

- A diverse group of U. S. experts interested in health education and smoking cessation examined the question of whether cigarette smoking is an "addiction" or a "habit". On "addiction," they state:

"Addiction is difficult to define, even in seemingly objective and clear psychological terms... There is a significant amount of disagreement in the existing literature as to just what precisely constitutes psychological addiction."<sup>6</sup>

They conclude:

"The answer to the question of whether cigarette smoking involves physical addiction or merely a tenacious psychological habit remains, at this time, in the realm of academic opinion and debate. Based on accumulated evidence, it cannot be stated objectively, and without valid dissent, that cigarette smoking is physically addictive. As previously stated, the majority of the investigators in the field hold the belief that cigarette smoking is a habit."<sup>7</sup>

2. "[N]early half of all living adults who ever smoked have quit."<sup>8</sup>

- About 41 million Americans have successfully quit smoking, approximately 90 percent of them without the aid of any smoking cessation program.
- In testimony before the U. S. House of Representatives, Dr. T. Blau, Psychologist, stated:

"It has been reported that many smokers are able to refrain from smoking for relatively long periods of time for practical, safety or

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<sup>5</sup>Russell, M. A.H., Tobacco Dependence: Is nicotine rewarding or aversive?, in Krasnegor, N. A. (ed.), Cigarette Smoking as a Dependence Process (January 1979) National Institute on Drug Abuse Research Monograph 23 (pp. 100-101).

<sup>6</sup>Glover, E. D., et al. "Cigarette Smoking: Addiction and/or Habit?", Health Values: Achieving High Level Wellness, April/March 1982 6: (pp. 26-30).

<sup>7</sup>Ibid, p. 30

<sup>8</sup>"Executive Summary - The Health Consequences of Cigarette Smoking: 25 Years of Progress," Report of the U. S. Surgeon General, 1989, p. 11.

<sup>9</sup>"The Health Consequences of Cigarette Smoking: Nicotine Addictions," Report of the U. S. Surgeon General, May 1988, p. 466.

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religious reasons and to do so without apparent discomfort. Some examples are coal miners who may not smoke at the pitface, Orthodox Jews who give up smoking at sundown on Friday and cease smoking until sundown on Saturday, and so forth.<sup>10</sup> Such behavior does not fit conventional views of addiction."

- Alan Marsh, U. K. Office of Population Censuses and Surveys, introduces his article reporting on research into the psychology of smoking and not smoking with the following observations:

"[T]he accelerating fall in smoking prevalence, well documented in Britain, Europe and North America, is not explained by the accepted theory of the psychology of smoking, namely nicotine dependence."<sup>11</sup>

He also states:

"[T]he dependence view of smoking contributes nothing to an explanation of why one in five of those smoking ten years ago no longer do so. It is not open to us to believe that the power of nicotine to produce dependence has mysteriously lessened."<sup>12</sup>

- 3. Unlike drug use, the reported changes after smoking abstinence differ widely from one individual to another.
- Smoking does not impair reasoning, memory and judgment as hard drugs do. Cigarette smoking does not dominate a whole lifestyle as heroin does. The APA observes that for nicotine:

"In any given case it is difficult to distinguish a withdrawal effect from the emergence of psychological traits that were suppressed, controlled or altered by the effects of nicotine or from a behavioral reaction (e.g., frustration) to the loss of a reinforcer."<sup>13</sup>

The APA Manual also admits:

"Since nicotine, unlike alcohol, rarely causes any clinically significant state of intoxication, there is no impairment in social or occupational functioning as an immediate and direct consequence of its use."<sup>14</sup>

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<sup>10</sup> Blau, T., p. 487.

<sup>11</sup> Marsh, A. "Smoking: Habit or Choice?," Population Trends (1984) pp. 14-20.

<sup>12</sup> Ibid, p. 15.

<sup>13</sup> Diagnostic and Statistical Manual of Mental Disorders (DSM-III-R), American Psychiatric Press, 1988, p. 150.

<sup>14</sup> Diagnostic and Statistical Manual of Mental Disorders, p. 182.

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Clearly, one cannot say the same about dependence on alcohol, cocaine, heroin or cannabis. For example, the repeated use of cocaine results in psychological changes including depression, the inability to experience pleasure, lack of energy, and social isolation.<sup>15</sup> There is no evidence of any comparable psychological changes in a long time cigarette smoker.

- J. H. Jaffe, writing in the NIDA research monograph, concedes that tobacco use does not induce the same behavioral effects as do recognized substances of abuse:

"[T]obacco does not induce the acute behavioral toxicity that is seen with alcohol, opiates, amphetamines, cocaine, and hallucinogens ...There are no reports of acute fatal tobacco overdosage as a result of smoking or induced aberrant behavior."<sup>16</sup>

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<sup>15</sup>Diagnostic and Statistical Manual of Mental Disorders, p. 178.

<sup>16</sup>Jaffe J. H. and Kanzler, M., "Smoking as an Addictive Disorder," in Krasnegor, N. A. (ed.), pp. 12.

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**F**

**LIABILITY**

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## FIRE-SAFE CIGARETTE LEGISLATION (4/89)

"Fire-safe" describes a hypothetical cigarette that will go out if not smoked in a certain period of time, or a cigarette designed so that it is less likely to start a fire in materials such as upholstery or clothing.

### LEGISLATIVE HISTORY

Since 1980, legislation to require cigarettes to be made "fire-safe" has been considered by 17 states in the form of 60 bills, as well as by the federal government.

State Fire-Safe Bills	1980	1981	1982	1983	1984	1985	1986	1987	1988
Debated	1	5	8	17	8	3	5	10	5
Enacted	0	0	0	0	0	0	0	0	0

Source: The Tobacco Institute

The majority of the state bills introduced would require agencies within the state to set fire-safe standards, specifically the amount of time allowed for the cigarette to extinguish, the amount of time for development from passage of the bill, and the amount of time for meeting the standards. The others were resolutions urging Congress to pass self-extinguishing legislation. State activity on this issue peaked in 1983, when 10 states considered 17 bills.

So far this year, two states have introduced fire-safe legislation: Massachusetts and Minnesota.

On the federal level, the Cigarette Safety Act of 1984 created the Technical Study Group on Cigarette and Little Cigar Fire Safety (TSG), to investigate technical and commercial feasibility, economic impact and other consequences of developing cigarettes and little cigars, with a minimum propensity to ignite upholstered furniture or mattresses. The Interagency Committee, comprised of the heads of three federal agencies (Consumer Products Safety Commission, Department of Health and Human Services, U.S. Firefighters Association), was given responsibility for supervising the research effort of the Technical Study Group. Cigarette company scientists participated in the 15-member Technical Study Group.

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On October 6, 1987, the TSG released its final report following three years of study of the fire-safe cigarette matter.<sup>1</sup> The group concluded, in brief, that while it may be possible to design a cigarette having a reduced ignition propensity, a substantial amount of further work would be needed to assess the technical and commercial feasibility and other consequences of such a product. The TSG, and subsequently the Interagency Committee, therefore recommended that additional study be carried out in the following areas:

- Design of a standard test method to measure ignition propensity;
- Development of performance data for current market cigarettes, to serve as a baseline for any new cigarettes that might be developed;
- Characteristics of cigarettes, products ignited, and smokers involved in fires;
- Changes in the toxicity of smoke and resultant health effects from the modified cigarettes, and societal costs of injuries from cigarette-initiated fires;
- Acceptability to the smoking public of modified cigarettes.

The TSG and the Interagency Committee also recognized that, depending upon the precise modifications that might be suggested for cigarettes, additional work concerning the economic consequences of the modifications would be required.

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<sup>1</sup>"Improving the Fire Safety of Cigarettes - An Economic Impact Analysis, National Bureau of Statistics, 1987.

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## SUMMARY ARGUMENTS

### **1. Attempts To Change Cigarettes Will Not Solve The Problem.**

It is also important to note that a narrow focus on fire-safe cigarettes obscures the broader accidental fire safety problem. A report released by the Consumer Products Safety Commission on national fire loss claims that in 1986 29% of fire deaths were related to cigarettes. This 14% decrease from 1985 (33%) is significant since all of the other categories, with the exception of match-related fire deaths, showed an increase.<sup>2</sup>

### **2. Advances In Technology Cannot Be Created Through Legislation.**

The report by the Technical Study Group on Cigarette and Little Cigar Fire Safety concluded that the manufacturing of less fire-prone cigarettes may require some advances in cigarette design and manufacturing technology. Despite attempts by the federal government, the tobacco industry, and by several independent scientists, a commercially acceptable fire-safe cigarette has not yet been developed. The report by the TSG concluded that positive health impacts and fire-loss savings have been overestimated because of the false assumption that the necessary industrial capacity exists.

### **3. Legislation Jumps The Gun - Validated Measurement Method Does Not Exist.**

The Technical Study Group determined that a validated measurement method is needed to determine if a cigarette is less ignition-prone. State passage of unmeetable standards, such as those being proposed in legislation, would mean a virtual prohibition on cigarette sales in that state. It would, therefore, not result in the anti-smokers' desired end to smoking, but would cause widespread bootlegging and "black market" sales.

### **4. Study Doesn't Address Feasibility And Acceptance Issues.**

The Technical Study Group did not address the question of whether the fire-safe cigarette would be commercially feasible, and it assumed that consumers would readily accept the new product. Also, consumer impacts, cigarette industry impacts, tobacco farming impacts, and tax and employment impacts are all estimated only for the first year following modification. No calculations have been made to consider the long-term effect on some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, changes in quality of life).

<sup>2</sup>"National Fire Loss," Consumer Product Safety Commission, 1987.

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5. **Possible Adverse Employment And Income Effects.**  
The Technical Study Group did not rule out the possible increase in the price of cigarettes, or a decline in employment related to the industry, or increased health care costs, or changes in the financial status of the affected industries and professions.
6. **The Cigarette And Tobacco Industry Are Not The Only Opponents Of The Bills To Make A Fire-Safe Cigarette**  
Many members of the firefighting and fire prevention community also fear that development of a fire-safe cigarette will interfere with the consideration of more comprehensive answers to the accidental fire problem. Many countries such as Canada, Asia, and Western Europe have achieved significantly lower rates of cigarette-related fires, primarily through improved safety and public education programs, rather than by attempts to change consumer products.
7. **Fire Safety Is Clearly A National Concern.**  
Enacting fifty individual and separate laws concerning "fire-safe" cigarettes will cause chaos and confusion. The federal government has already invested several million dollars in the effort to develop a reduced-ignition-propensity cigarette, an investment that supplements the standing efforts of the individual tobacco companies. The tobacco industry, along with most major fire service organizations, supports federal legislation that would implement the recommendations of the TSG and has announced opposition to other bills that would ignore the TSG recommendations and move directly to create standards.
8. **Improved Public Education Is The Real Answer.**  
Imagine telling a cutlery maker to manufacture a knife that can cut meat but not your finger. Imagine telling a television manufacturer to produce a TV that will unplug itself during a thunderstorm. That would be ridiculous. No responsible person would oppose a reasonable program to promote fire safety. But a law to require fire-safe cigarettes isn't reasonable. It doesn't address the overall fire safety problem and it sets an ominous precedent: government dictating to consumers what products they can and cannot buy. The real answer to fire safety is improved public education, furniture with fire-resistant fabric, safer heating units, and smoke detectors.
9. **Technological Advances Cannot Be Legislated.**  
Some cost data presented in this report assume that immediate implementation is technically feasible. This is incorrect. In the case of modifications that call for "expanded" tobacco and increased paper weight, a lack of necessary industrial capacity exists. In both cases, positive health impacts and fire-loss savings have been overestimated as a result of this false assumption.

10. The Technical Study Group Report Fails To Consider That Behavioral Changes Might Result From Product Modifications. For instance, making cigarettes less likely to ignite could cause increased carelessness, perhaps increasing the number of deaths and injuries and the amount of property damage.
11. The Technical Study Group Report Itself Concludes:
- a. The savings potential from fire-safe cigarettes is estimated to decline gradually over time. A projected downward trend in consumption, an increase in the prevalence of fire-resistant bedding and upholstery, and improvements in fire mitigation technologies are estimated to diminish deaths and injuries from cigarette fires by 20 to 25 percent, and property losses by about 10 percent, by the mid-1990's (p. vii).
  - b. Almost 6,000 jobs will be lost if cigarette circumference is reduced. Reduced circumference lessens the tobacco content, reducing the demand for domestic tobacco by 30%, lessening the price by an estimated \$0.08 per pound of leaf, and lessening the annual tobacco revenue by \$300 million, or 15%. Also, 5,000 full-time tobacco farming jobs will be lost (14%), and over 900 manufacturing jobs will go, while fewer than 200 jobs will be created in other tobacco industry sectors. Note: The report shows that under this modification, health effects could be undesirable (p.33-38).
  - c. 1,700 farming jobs will be lost if cigarette density is reduced. Reduced density lessens tobacco content, reducing the demand for domestic tobacco by 12.7%, lessening the price by an estimated \$0.04 per pound of leaf, lessening the annual tobacco revenue by \$130 million or 6%. At least 1,700 full-time tobacco farming jobs will be lost, while fewer than 600 jobs will be created in other cigarette manufacturing sectors. Note: The report shows that under this modification, health effects could be undesirable (p.36-39).
  - d. Long-term effects are unknown. Consumer impacts, cigarette industry impact, tobacco farming impacts, and tax and employment impact are all estimated only for the first year following modification. No calculations have been made to consider the long-term effect of some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, change in quality of life).
  - e. More government regulation may result. To offset some of the second-order impacts resulting from some of the modifications, the report seems to recommend additional government regulation of agriculture. Government quotas are specifically pointed as a way to resolve demand and price declines imposed on farmers (p. 10).

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CIGARETTE TESTING AND LIABILITY (4/89)

STATUS

Section 5 of HR4543, introduced by Representative Thomas Luken in 1988, the preemption and liability clause, would have effectively repealed the national standard for health warnings on cigarette packages and advertisements. It was an attempt to amend the decision made by Congress in 1965 that created a national standard for these warnings and preempted state legislation. The bill would have permitted individual states to determine their own standards for cigarette health warnings.

Luken reintroduced this language in the 101st Congress as a provision of HR1250, the "Protect Our Children From Cigarette Advertising Act 1989."

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SUMMARY ARGUMENTS

**1. Preemption Was Clearly The Intent Of Congress When It Passed The Cigarette Labeling And Advertising Act In 1965.**

Congress preempted certain state tort actions in order to ensure that the federally mandated warning notice be the only statement relating to smoking and health required on cigarette packages. The rulings of four United States Courts of Appeal (1st, 3rd, 6th and 11th circuits) and various other federal and state courts have upheld Congress's decision to preempt state damage actions relating to smoking and health that challenge either the adequacy of the warning on cigarette packages or the propriety of a party's actions with respect to the advertising and promotion of cigarettes. The true purpose of this type of legislation is to reverse the rulings of these court decisions and the original intentions of Congress.

**2. Preemption Does Not Deny Potential Plaintiffs The Ability To Seek Action Against Tobacco Companies.**

Although some critics of preemption have asserted that these rulings provide a cloak of immunity that the tobacco companies are hiding behind, tobacco companies have not been immunized from product liability suits. Plaintiffs have consistently failed to prevail in over 300 product liability suits against the industry. This consistency results not because of technicalities in tort law, but because courts and juries have recognized the notion that personal responsibility is a necessary corollary of personal freedom.

**3. A National Standard For Commercial Activity Is In The Public's Best Interest.**

New health warnings set forth by the states would undermine the uniform warnings prescribed by Congress. To facilitate commercial activity, the Constitution delegated to Congress the duty of overseeing national commerce. As the Founding Fathers recognized, giving Congress the authority to regulate national commercial activity is an intelligent decision, for it eliminates the havoc that would result from fifty different jurisdictions regulating the activity. By determining one common law rather than fifty different ones, a clear and concise standard is set for all to abide by. Changing the present law would create confusion and disrupt national commercial activities.

**4. The True Purpose Of Cigarette Testing And Liability Legislation Is To Allow Plaintiffs To Start Winning Tobacco Product Liability Suits.**

Many advocates of a repeal of federal preemption hope that the state courts and legislatures, if only unleashed, will invent new theories of liability under which smokers can start winning cases against tobacco companies. Such legislation is an effort to use the court system to achieve a social result: eliminating or at least substantially reducing cigarette smoking.

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5. **Cigarette Testing And Liability Legislation Would Encourage Individual States To Impose Advertising Bans And Restrictions On Lawful Products.**

Not only would this legislation exacerbate the growing tendency toward the proliferation of advertising restrictions, it would effectively encourage states to impose drastic free speech-related burdens or total bans on cigarette advertising. Regulation by one state could prompt other states to impose comparative restrictions, which would set a dangerous precedent.

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## CIGARETTE MANUFACTURER LIABILITY (4/89)

### SUMMARY OF TORT AND PRODUCT LIABILITY REFORM

Elements of tort and product liability reform have been enacted in more than 30 states, including restrictions on punitive damages, sanctions for frivolous lawsuits, and caps on noneconomic damages. The complexity of reforms has contributed to the increasing problems related to the availability, affordability, and adequacy of liability insurance. The cost of liability insurance is increasing at an alarming rate, while the coverage of such insurance has been narrowed or cancelled altogether. In some instances, juries have given awards upwards of \$10 million for claims dating back to years when flaws were totally unforeseen. Most of these substantial sums paid to settle suits would have been considered of "nuisance value" a decade ago.

This situation has impeded the U. S. manufacturing industry's ability to compete in the international marketplace and has jeopardized new product innovation and development. The system has caused the discontinuance of existing products and research on liability-prone product lines, layoff of employees, and loss of market share.

### STATUS OF CIGARETTE MANUFACTURER LIABILITY

Over 300 product liability suits have been filed against tobacco companies since the first action was brought in 1954 (Edwin Green v. American Tobacco Company). Prior to the Cipollone trial in 1988, 16 of these cases had gone to trial, and not one resulted in a judgment against a tobacco company.

Pending suits have dwindled to fewer than 100 (December 1988) - a drop of more than 40% from the number of suits pending from the year earlier. Thirty-four involve Philip Morris. Over 70% of the remaining cases are being handled by just 6 plaintiffs' law firms.

### LEGISLATIVE SUMMARY

Five states have introduced cigarette manufacturer liability proposals, designed to create a new cause of action against cigarette manufacturers for various diseases purportedly resulting from cigarette smoking.

Illinois (4/85) and Wisconsin (4/88, 9/85) proposals would have permitted family members to sue a cigarette manufacturer for lost financial support due to death, illness, or disability of a relative from "cigarette-induced lung cancer or emphysema." A Louisiana proposal (5/88) would have given the state a cause of action against manufacturers of cigarettes to recover expenses incurred by the state in providing medical treatment for lung cancer for any person that the state can prove contracted the cancer as a result of cigarettes. A Rhode Island bill (3/86) would have established a cause of action for a variety of diseases, including lung cancer, emphysema, and heart disease. Punitive damages would be specifically permitted. A Washington proposal (4/89) would shift the burden to the defendant to prove that cigarette smoking did not cause the plaintiff's injury. All these bills died except for the Washington bill, which is still pending in the Committee on Law and Justice.

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## SUMMARY ARGUMENTS

1. **Civil Law Should Prevent, Rather Than Encourage, The Search For A "Deep Pocket".** Our legal system should be altered to compensate people who have been injured and to minimize the threat of lawsuits that are discouraging individuals and companies from introducing innovative products for fear of prohibitive liability awards. The courts should return to the concept of real fault and penalize only those who make unreasonably dangerous products, engage in illegal or deceptive practices, or maliciously harm others. This would prevent our legal system from becoming a playground for hypochondriacs.
2. **Consumers Have Been Aware Of Possible Health Hazards For Several Decades.** The ordinary American smoker has, in fact, been deluged with information about the potential hazards of smoking since the first Surgeon General's Report 25 years ago. Indeed, smoker awareness of possible health hazards was high in the early 1950s, when Reader's Digest -- the most widely read publication in America -- touched off the first health scare. Under the concept of strict liability, a manufacturer may be found liable for damages only if he fails to warn consumers of the "unreasonable dangers" of a product he markets. The four-decades-old controversy over the issue of smoking and health will make it difficult for juries to find that cigarette smokers were not adequately warned of the potential dangers.
3. **Tort Reform Should Put Restrictions On Liability Awards.** The number of lawsuits has exploded in the past 25 years. While million-dollar jury verdicts were awarded only twice in 1963, the count was over 400 for 1987, not including the cases settled out-of-court. The cigarette "accountability acts" that have been introduced would create an administrative nightmare, prompt unnecessary and unwarranted litigation, create uncertainty where none now exists, and create a business out of liability lawsuits.
4. **Tort Reform Must Consider Inappropriate Casual Attributions Of Disease To Smoking.** The presumption of causation is irrational and arbitrary, violating the due process clause of the U.S. Constitution. Scientific research over the past 15 to 20 years has determined that a number of other factors are associated with many of the diseases commonly linked to smoking. Thus, such legislation repudiates the universally recognized and fundamental premise of tort law: A plaintiff must prove causation as a prerequisite for recovery.
5. **The Singling Out Of The Tobacco Industry From Among Numerous Others That Manufacture Lawful Products Alleged To Cause Harm Is Discriminatory And In Violation Of The Constitutional Guarantee Of Equal Protection.**

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WARNING LABELS (4/89)

STATUS

On October 12, 1985, Congress required four new warning labels on all cigarette products and advertising to be rotated quarterly. This is the second revision in the federal labeling law since 1966. The labels begin with "Surgeon General's Warning" and state:

- "Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy."
- "Quitting Smoking Now Greatly Reduces Serious Risks To Your Health."
- "Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight."
- "Cigarette Smoke Contains Carbon Monoxide."

In 1988, Senator Bill Bradley (D-NJ) added an amendment to the Omnibus Drug Bill to require a fifth warning be added to the rotation: "Smoking is Addictive." The provision was omitted from the bill. In the 101st Congress, Representative Jim Slattery (D-KS) introduced the "Federal Cigarette Labeling and Advertising Act, Amendment," which would require cigarette packaging and advertising to bear a permanent label, in addition to the four current labels, stating: "Surgeon General's Warning: Nicotine in Cigarettes is an Addictive Drug." The bill is pending in committee.

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### SUMMARY ARGUMENTS

The continued emphasis on histrionic labels appears unnecessary in light of virtually universal knowledge (90+) of the health risk claims regarding smoking.

In hearings before the United States House of Representatives in March 1982, on a proposal for rotational warnings, a letter by Burns W. Roper, Chairman of the Roper Organization, concluded, "The public is highly aware of the reported danger of smoking." In a Report to Congress, the Federal Trade Commission stated: "More than 90% of adults now believe that smoking is hazardous to health."

In an article on causes and prevention of cigarette smoking in children and young adolescents, published in the Journal of Advances in Behavioral Pediatrics (1981), N.T. Blaney states:

"Perhaps the most consistent finding for both adolescents and adults is that knowing that smoking is harmful does not deter people from smoking nor does increasing a person's awareness of the risks cause smoking habits to change....At present, data do not show that knowledge of health risks either differentiates between smokers and nonsmokers or serves to deter the onset of smoking."

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**G**

**REGULATORY  
ISSUES**

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TOBACCO REGULATION (12/89)

STATUS

This year, as in the past, several bills have been introduced to place the regulation of tobacco and tobacco products, including cigarettes, within the jurisdiction of the Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC). For example, "The Tobacco and Nicotine Health and Safety Act of 1989", introduced by Representative Whittaker, et al., would amend the Federal Food, Drug and Cosmetic Act "to regulate the manufacture, sale, promotion, and distribution of tobacco and other products containing tar, nicotine, tobacco additives, carbon monoxide, and other potentially harmful constituents, and for other purposes."

These bills were introduced on the premise that tobacco and tobacco products are under-regulated and would be better monitored if under the jurisdiction of one government agency, specifically the FDA or the CPSC. Neither of these assumptions is valid. Tobacco and tobacco products are already one of the most highly regulated consumer products in the country. Furthermore, the FDA and the CPSC do not have the funding, the resources or the scientific capability to meaningfully regulate the tobacco industry.

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## SUMMARY ARGUMENTS

### 1. The Tobacco Industry Is Already Over-Regulated

Tobacco And Tobacco Products Are One Of The Most Highly Regulated Consumer Products. "The regulation begins at the seedbed and extends without significant interruption through, and even well beyond, the retail level. The suggestion (that tobacco is under-regulated) ignores, among other things, the many statutes and regulations that govern virtually every aspect of the growing, manufacturing, marketing and use of tobacco and tobacco products."<sup>1</sup>

- The U.S. Department of Agriculture (USDA) employs graders who set price levels and product quotas for tobacco leaf. The USDA also grades the quality of domestic and imported tobacco and regulates the use of pesticides on tobacco in cooperation with the EPA.
- The Office On Smoking and Health, Department of Health and Human Services (HHS) monitors the ingredients of tobacco. HHS is also required to conduct and support research and to inform the public concerning any relationship between tobacco products and health.
- The Interagency Committee on Smoking and Health (comprised of HHS, Federal Trade Commission, Department of Labor, Department of Energy) reviews both the public and private sector activities with respect to smoking and health, and recommends to Congress any policy initiatives that are deemed appropriate.
- The Technical Study Group on Cigarette and Cigar Fire Safety (comprised of members of the CPSC, United States Fire Administration (USFA) and the Assistant Secretary of Health, Department of HHS) has investigated ways to alter cigarettes and little cigars to reduce their ignition propensity.
- Tobacco advertising is regulated and monitored by the Federal Trade Commission. The FTC also submits an annual report on advertising and recommendations for legislation.
- The Department of Transportation (DOT) regulates smoking on airplanes.
- The Bureau of Alcohol, Tobacco, and Firearms (BATF) requires the disclosure of "tar" and nicotine levels on every tobacco carton or package. They also govern the type of packaging in which tobacco-products can be marketed and prohibit certain promotional practices.
- The federal government currently taxes all tobacco products, including cigarettes. In addition, the fifty states, the District of Columbia and many localities place a consumer tax on tobacco products.

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<sup>1</sup>Whitley, Charles O., Testimony before the Subcommittee on Energy and Commerce, Consumer Protection and Competitiveness, the Committee on Energy and Commerce, September 16, 1987.

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a. **Congress Specifically Excluded Cigarettes From the Jurisdiction of the CPSC.** The products Congress sought to regulate with the Consumer Product Safety Act include carpets, children's sleepwear, children's toys, safety closures, refrigerators, glass, lead in paint, lawnmowers, sporting equipment and all-terrain vehicles. It specifically excludes products covered by existing regulation, including tobacco and tobacco products, which are subject to regulation under the Federal Cigarette Labeling and Advertising Act.

b. **The Commission Is Already Overburdened.** The CPSC has jurisdiction over 10,000 to 15,000 products, distributed by over 1 million companies. Furthermore, each year 36 million consumers are injured, and 28,000 are killed in consumer-product associated accidents. These injuries create an estimated 60,000 to 70,000 lawsuits alleging serious injury or death caused by defective products. Theodore J. Garrish, former General Counsel to the CPSC, and a strong advocate of product safety stated: "I strongly believe...placing an increased workload under the jurisdiction of the Commission would only exacerbate the difficulties the Commission currently has in carrying out its existing mandate....Its mandate is already too broad, with too little resources to do an adequate job in protecting health and safety of products within its current purview. Expanding the products regulated on the Commission agenda would only have the effect of undermining overall product safety."<sup>2</sup>

c. **The CPSC Budget And Staff Are Already Limited.** "Since 1981, the CPSC budget has been slashed from \$42 to \$34.5 million, its staff decreased from 975 to 519, and its area offices reduced from 14 to 3."<sup>3</sup>

d. **The CPSC Was Created To Handle Areas Not Reliant on Scientific Or Technical Theory.** The CPSC has concentrated its efforts on the safety aspects of consumer products not addressed by other firms with more specific expertise. "The CPSC has neither the resources nor the medical or scientific expertise to contribute to the existing comprehensive system of government regulation of tobacco...They lack the toxicological and chemical resources..."<sup>4</sup>

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<sup>2</sup> Letter from Theodore J. Garrish to Sally Katzen, October 12, 1988.

<sup>3</sup> Adler, R.R. and P.D. Pittle, "Time To Strengthen Consumer Protection," The Christian Science Monitor, May 8, 1989.

<sup>4</sup> The Proposed Resolution Urging Congress to Reconsider the Exemption of Tobacco Products From the Consumer Product Safety Act Should Be Rejected," Covington & Burling, October 12, 1988.

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e. Even The Most Outspoken Tobacco Critics Are Questioning The Benefit Of Transferring The Governing Power Of Tobacco To The CPSC. A report released in May 1989, after the National Conference "Tobacco Use In America", stated, "The total regulatory ramifications of this approach are not clear, but at the extreme, could result in the product being banned. While logical, this approach may not be feasible at this time."<sup>5</sup> The Senate Commerce Committee, in 1975, determined that giving the CPSC jurisdiction over tobacco products "would exhaust its resources and it would be unable<sub>6</sub> to address the other safety issues with which it must be concerned." Senator Frank Moss (D-UT), who was among those who had initially petitioned the CPSC to exercise jurisdiction over high-tar cigarettes, agreed to the amendment expressly exempting tobacco products from regulation under the Federal Hazardous Substances Act.

### 3. The Food and Drug Administration

a. The FDA Has Consistently Rejected Proposals To Regulate Cigarettes. In 1977 and 1980, FDA rejected petitions by Action on Smoking and Health calling on the agency to assert jurisdiction over cigarettes on the ground that they contain nicotine and on the ground that they have filters. The FDA stated:

"No court has held that cigarettes are a drug under the Act. ... (C)igarettes are not a drug unless health claims are made by the vendors."

In response to the claim that cigarettes affect the function of the body and should, therefore, be regulated, the FDA stated:

"However, effects alone do not establish jurisdiction ... (E)ven assuming the accuracy of the assertions as to the effects of cigarettes, the petition does not establish that these effects are intended."<sup>8</sup>

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<sup>5</sup> "Federal Regulation of Tobacco Products," Tobacco Use In America Conference, January 27-29, 1989.

<sup>6</sup> S. Rep. No. 251, 94th Congress, 1st Session 1975.

<sup>7</sup> Letter from Donald Kennedy, Commissioner of Food and Drugs, to John Banhzaf, III, December 5, 1977.

<sup>8</sup> Action on Smoking and Health V. Harris, 655 F.2d 236 (D.C. Cir. 1980)

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"Nothing in the language or legislative history of the statute suggest any intent on the part of Congress to include cigarettes or other smoking articles within the categories of drugs or devices."<sup>9</sup>

**b. The FDA Does Not Have The Resources To Take On Added Responsibility.** FDA's request for more funds have consistently been denied. In March 1989, FDA Commissioner Frank Young told Senators, "If you want me to do my job, give me the resources...It is a cruel joke to pass over 20 bills requiring more work and decrease the resources. And the American people need to know that."<sup>10</sup> Experts estimate that the "workload at the agency has jumped 318 percent since 1983, while there has been a 20 percent drop in the FDA's ability to review applications for new drugs."<sup>11</sup> Currently, "the FDA has only a \$48 million budget and 1000 inspectors in all, checking everything from blood banks to drugs to food safety." Therefore, enabling them to "routinely sample less than 1 percent of the nation's food supply each year..."<sup>12</sup>

**c. Substandard Quality of Service Is Provided By The FDA.** In a study released June 1989, the House Energy and Commerce Subcommittee on Oversight and Investigation determined that "a staggering 40 percent of the samples that were physically tested did not meet FDA standards for a variety of reasons. Furthermore, this 40 percent is only 2 percent of the total 1 million food shipments that enter the U.S." The study further estimated that this could result in 'hundreds or thousands of deaths'. Moreover, the Subcommittee found, the FDA inspected only 39 of 3,386 registered canned food importers in the last five years. Of the 39, 14 failed, but the FDA did not follow up. Also mentioned was inadequate policing by both the FDA and the Custom Service to insure that refused shipments were re-exported or destroyed. FDA spokesman, Chris Lecos agreed, "there is no question that the quality of inspections could be improved, but it takes resources."<sup>13</sup> Therefore, those who advocate regulating tobacco under the authority of the FDA should re-focus their efforts on more pertinent matters such as the nation's food supply which affects the entire population.

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<sup>9</sup> 21 USC 201(g),(h) (1982).

<sup>10</sup> Beck, Melinda, "Warning!," Newsweek, March 1989, p. 16.

<sup>11</sup> Shaffer, M., "U.S. Drug Agency Head Seeks More Intervention," Reuters, February 16, 1989.

<sup>12</sup> Beck, M., p.16.

<sup>13</sup> "Nation: Government Briefing," INSIGHT, August 14, 1989, p. 22.

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In a November 1986 study, the FDA's Office of Management and Operations summed up the condition of its import operations as follows:

"...employees, though dedicated, are simply overwhelmed. Currently the agency is able to examine less than 10 percent of the products listed on the entry documents. The lack of <sup>14</sup> resources has created the potential for a significant problem..."

c. **FDA Reaction Time Is Already Unacceptably Slow.** According to Monte Levitt, Executive Vice President and Scientific Director for Pittsburgh's Biodecision Laboratories, "For a brand new compound that has not been used before in a drug, it takes an average of about 12 years and costs around \$100 million <sup>15</sup> to get the drug on the market -- if it makes it to the market at all." Currently, there are more than 700 drugs waiting to be approved by the FDA, of which 353 concern new products not already on the market. Many of these are vital developments including insulin, tumor growth factors, and several vaccines for AIDS, Hepatitis, Polio, Rabies, etc. <sup>16</sup> By adding tobacco to the regulatory responsibility of the FDA, the process of approving these products would be delayed, or possibly forfeited.

d. **There Has Been Increasing Criticism Surrounding The FDA In Recent Years.** For example, the FDA increased its manpower devoted to testing apples during the recent Alar scare. This effort proved to be wasteful. It might have helped to catch the occasional apple laced with high levels of pesticides, but there is no consensus on how harmful the pesticides really are. "...[S]ending more inspectors to pick through grapes and cherries while deadly microorganisms lurk in dairy products and meat is like using the army to catch speeders while enemies infiltrate our borders. Overburdening hard-pressed inspectors to calm the public's changing fears will not keep the food supply safe." <sup>17</sup> This applies to the issue of tobacco and tobacco products.

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<sup>14</sup> "An Organizational Review of FDA's Import Operations," Report by the Office of Budget Management and Operations, FDA, November 1986.

<sup>15</sup> Beck, M., p. 16.

<sup>16</sup> Clark, Ethel, Editor, "The NDA Pipeline", 1988

<sup>17</sup> Freundlich, N. "Why the Great Grape Scare Missed the Point," Business Week, April 3, 1989.

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e. **Skepticism Exists Over Whether Or Not The FDA Is Capable of Handling The Responsibility It Now Has.** Currently, an investigation is pending concerning corruption at the FDA. Six FDA chemists and drug manufacturers have already been convicted of illicit gratuities charges and the investigation is<sup>18</sup> expected to result in a far-reaching indictment against more employees.<sup>19</sup> Furthermore, in an investigation of a new drug, Versed, the House Committee on Government Operations Human Resources and Intergovernmental Relations Subcommittee suggested that the FDA's enforcement of its legal reporting requirements are woefully inadequate. "The FDA overlooked evidence in its own files...Previous subcommittee investigations have shown similar FDA laxity in pursuing in-house evidence of serious lapses. In fact, FDA learned of such lapses involving new drugs such as Oraflex, Merital and Suprol not from its own personnel, but rather from a congressional committee."<sup>20</sup> Congressman Ted Weiss (D-NY) said, "The agency has consistently failed to take the actions required to ensure receipt of all the information it needs to safeguard consumers from the risks of toxic new drugs."<sup>21</sup> "If the FDA persists in its failure to require prompt reporting of serious adverse drug reactions...it cannot assure the American public protection from potentially unsafe and misbranded drugs."

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<sup>18</sup> Valentine, Pauline, "Scope Widened in FDA Bribe Probe As Convicted Employees, Firms Cooperate," The Washington Post, July 26, 1989.

<sup>19</sup> "FDA's Deficient Regulation of the New Drug Versed", 71st Report, Committee on Governmental Operations, U. S. Government Printing Office, Washington, 1988.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

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TOBACCO PRICE SUPPORT PROGRAM (4/89)STATUS

The Federal Government Tobacco Price Support and Production Control Program currently in effect guarantees farmers a minimum price for their tobacco in return for strict limits on production. All tobacco types are eligible for the program, which is voluntary. Growers of each type of tobacco are given the choice, via referendums every three years, to participate. Most elect to be bound by price support guidelines. The tobacco is taken as collateral by a cooperative owned and operated by growers. The program is designed to ensure the farmer a reasonable return for his considerable investment.

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## SUMMARY ARGUMENTS

### **1. The Money Is Not a Gift.**

It is a government-backed loan, to be paid back just like the government loans for small businessmen, students, and home buyers, and is paid back with interest.

### **2. The Government Does Not Pay For Tobacco.**

Since 1982, each participating grower has contributed to a fund held by his cooperative to ensure repayment of loans and interest.

### **3. Tobacco Net Loss Is Pennies Compared To Other Supported Crops.**

The Commodity Credit Corporation, the organization that oversees the price support program, shows a \$58 million net loss on tobacco loans over a half century - the result of only two or three bad years - while the corn and wheat price support programs each show over fifty times the loss (\$3 billion) and cotton thirty times the loss (more than \$2 billion).

### **4. Without the Support Program, Tobacco Products Would be More Readily Available.**

Critics argue that the program makes tobacco products more readily available. This is not true. The program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.

### **5. Without the Program, Many More Acres Would be Devoted to Tobacco.**

Overplanting would bring a larger tobacco supply and lower prices for the farmers, who could lose their land and other capital. Such widespread financial and commercial disruptions would create recessions with national repercussions.

### **6. Without the Program, Conditions Would be Worse.**

Michael Perschuk, a former member of the FTC and an anti-smoking zealot said, "Without the program there would be a return to the conditions which spawned the program in the great depression."

### **7. Price Support Programs are an Agricultural and Economic Matter, Not a Health Issue.**

Surgeon General Koop and federal health officials consider price supports to be an agricultural and economic matter, "not an issue concerning public health. It's hard to see how a subsidy by the government encourages young people to start smoking or keeps people who are smoking continuing."

Source: The Tobacco Institute

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## TOBACCO AND INTERNATIONAL TRADE (4/89)

### STATUS

On February 18, 1988, a meeting of the Interagency Committee on Smoking and Health discussed the issue of tobacco and the United States trade policy. Although U.S. trade policy jurisdiction rests with Congress and the Administration through the U.S. Trade Representative and with such cabinet departments as State, Treasury, Commerce, and Agriculture, this committee, headed by Surgeon General Koop, met to consider possible ways to decrease American exports of tobacco.

On March 22, 1989, Representative Melvin Levine (D-CA) introduced the Tobacco Export Reform Act, requiring warning labels on all exported cigarette packages in the primary language of the receiving country. The Act would also "prohibit the use abroad of any advertising media unlawful in the U.S." and prevent the Executive Branch from "expanding" foreign tobacco markets.

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## SUMMARY ARGUMENTS

### **1. Eliminating Trade Barriers Does Not Increase Cigarette Consumption.**

There is no evidence that eliminating a trade barrier against American cigarettes in a foreign country increases smoking in that country. For example, in Japan, the sale of U.S. brands is up sharply, but overall cigarette consumption has declined every year since 1982. In Thailand, overall consumption has risen slightly for the past two years, although American cigarettes are virtually banned. Also, in China, the Soviet Union, and Poland, increased cigarette consumption cannot be attributed to American cigarettes, which are generally not available. If American brands are denied entry, smokers in these countries will not stop smoking. They will simply not smoke American cigarettes, consuming instead local brands or cigarettes made in Germany, the Netherlands, England, or Bulgaria.

### **2. Exports Of Cigarettes And Leaf Tobacco Maintain Employment And Earnings.**

Exports of cigarettes and leaf tobacco maintain employment and earnings nationally and in several states. In 1988, the U.S. Agriculture Department estimated that almost one out of every six cigarettes made in the U.S. went to foreign buyers. Late Secretary of Commerce Malcolm Baldridge said that every billion dollars in exports creates 25,000 American jobs. Therefore in 1988, tobacco exports would have accounted for over 80,000 U.S. jobs. Another favorable by-product of increased American cigarette sales in Japan and Taiwan is that those government monopolies are adding more American-grown tobacco to their cigarettes to compete with American brands.

### **3. U.S. Continues To Obtain Tobacco Trade Surplus.**

The tobacco industry has consistently produced an annual surplus, even when the U.S. national trade deficit reached \$137.3 billion in 1988. Between the years 1980 and 1988, tobacco's trade surplus increased by 91.5%. Also, in 1988, five of the top ten export earners were agricultural products, including tobacco and tobacco manufacturers.

**Tobacco Trade Balance Surplus (\$millions)**

1980	1981	1982	1983	1984	1985	1986	1987	1988
1867.0	1971.6	1938.0	1887.0	1944.2	2126.8	2011.1	2669.1	3575.1

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Since the U.S. trade deficit is concentrated in a few economies of the world, such as Japan, Germany, Hong Kong, and Taiwan, and tobacco trade with these countries generates a positive U.S. balance, tobacco could provide the example that other American industrial sectors should follow if the trade deficit is to be reduced.

4. **Export Restrictions.**

The regulation of cigarette sales should be the province of the country in which they are sold, not the exporting country. If the American government were to place restrictions on U.S. cigarette exports, that would constitute cultural imperialism against foreign nations. The U.S. would not want a foreign government placing speed governors on auto exports because it believed Americans drove too fast. By the same token, the U.S. has no right to interfere in another country's consumption patterns.

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**APPENDIX A**

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## COMPANIES WITH NO-SMOKING POLICIES

### **Employers Who Provide Some Smoke-Free Areas at Work:**

Allied-Signal Aerospace Co., KS  
Aunt Sarah's Pancake House, Richmond, VA  
Bank of America, San Francisco, California and elsewhere; 70,000 employees  
Bank One, Columbus, OH  
Blue Cross Health Serves, Inc., St. Louis, Missouri  
Byram's Lobster House, Richmond, VA  
Cal State Fullerton, Los Angeles, CA (the only exception being the University Center)  
Chicago Tribune, Chicago, Illinois  
Cincinnati Bell Telephone Co., Cincinnati, Ohio  
Columns Restaurant, Richmond, VA  
Combustion Engineering, Stamford and Windsor, CT, 4,200 employees  
Continental Illinois Bank & Trust Co., Chicago, Illinois  
The Daily News, New York, NY  
Dow Chemical  
E.I. du Pont de Nemours & Co., Wilmington, Delaware, and elsewhere  
Ford Motor Glass Plant, Tulsa, OK  
Frederick Electronics, Frederick Maryland, 350 employees  
General Electric, General Purpose Control Dept, Mebane, North Carolina  
General Motors Corp., Detroit, Michigan, more than 500,000 employees in 151 locations in 26 states  
General Motors Corp., Indianapolis, IN, 7,500 employees  
Golden Corral Family Steak Houses, Richmond, VA  
Hewlett-Packard, Palo Alto, California, and elsewhere, 30,000 employees  
Houlihan's, Richmond, VA  
Kettle Restaurant, Richmond, VA  
Levi-Strauss, San Francisco, California, and elsewhere, 35,000 employees  
Marie's Family Restaurant  
Martin Marietta Corp., Bethesda, Maryland, and elsewhere  
McGraw-Hill, New York City and elsewhere, 15,000 employees  
Mobil Oil Corp., New York, New York  
New England Mutual Life Insurance Co., Boston, Massachusetts  
New England Telephone Co., Providence, RI 29,000 employees  
Ontario Ministry of Health, 13,000 employees  
J.C. Penney, Inc., New York, New York  
Peking Restaurant, Richmond, VA  
Procter & Gamble  
Prudential Insurance Co., Newark, NJ, 83,000 employees  
Public Service Electric and Gas, Newark, New Jersey  
RAI Research Corp., Long Island, NY  
Ralston-Purina Co., St. Louis, Missouri, 50,000 U.S. employees  
Rejis Commission, St. Louis, MO  
Rexham Corp.  
Rockwell International, Rocky Flats Plant, North American Space Operations, Golden, Colorado

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**Employers Who Provide Some Smoke-Free Areas at Work:**

Roy M. Huffington Inc., Houston, TX  
San Marino's, Richmond, VA  
Sears, Roebuck & Co., New York, New York  
Sergio's Ristorante, Richmond, VA  
Slate Industries, Ashland City (ban in areas where hazardous)  
Southwestern Bell Corp., St. Louis, Missouri, as of 1/1/88  
Sperry Co., Blue Bell, Pennsylvania; 3,800 employees  
Spinnakers Restaurant, Richmond, VA  
St. Patrick's Restaurant, Richmond, VA  
Sword and Kilt, Richmond, VA  
The Bankers Life, IA  
Travelers Insurance Co., Hartford, Connecticut  
Venito's Pizza & Subs, Richmond, VA  
Western Sizzlin' Steak Houses, Richmond, VA  
Weyerhauser, Tacoma, WA  
Whig-Standard Newspaper, Ontario, CA  
WSMV, Nashville, TN  
Xerox Corp., Stamford, Connecticut  
Zale Corp., Dallas, Texas, 17,000 employees

**Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations:**

Aetna Life & Casualty Co., Hartford, Connecticut; 40,000 employees  
AT&T  
Avco Aerostructures Textron (smoking banned for fire prevention)  
Bancroft & Whitney Co., San Francisco, California; 220 employees  
Baptist Hospital (patients allowed to smoke in rooms, employees may smoke only in designated areas)  
Bethlehem Steel Corp. Bethlehem, PA; 1,600 employees  
British Columbia Ministry of Health, Victoria, Canada; 65,000 employees  
British Columbia Telephone Co.  
Brooklyn, New York District Attorney; 700 employees  
Catholic Health Association, St. Louis, MO  
CIGNA Insurance, Bloomfield, Pennsylvania; 12,000 employees  
Cincinnati Bell Telephone Co.  
Citizen, Northshore, Washington  
Control Data Corp., Minneapolis, Minnesota and elsewhere; 55,000 employees in the U.S.  
Daily News, Longview, Washington  
General Electric, Bridgeport and Fairfield, CT  
Harvard University, Cambridge, Massachusetts  
Health & Welfare Canada; 10,000 employees  
Health Insurance Association of America, Washington, D.C., New York City and Chicago  
Hollis Automation Inc., Nashua, NH  
Honeywell, Inc., Minneapolis-St. Paul, Minnesota  
IBM, 200,000 employees  
Immuno Nuclear Corp., Stillwater, Minnesota  
KAKE-TV, Wichita, Kansas

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**Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations:**

Kansas Dept. of Health and Environment  
Lawrence-Berkeley Laboratories, Berkeley, California; 2,600 employees  
Lee Tire & Rubber Co., Valley Forge, Pennsylvania; 200 employees  
Lord & Taylor, New York, NY (smoking banned in 5th Avenue executive offices)  
Los Angeles Airport air traffic controllers; work area  
Manville Corporation  
Marion County Health Dept., Indianapolis, Indiana; 550 employees  
Massachusetts Dept. of Public Welfare, Attleboro office  
Michigan Dept. of State; 2,500 employees in 180 offices  
Midland Brake Inc., Iola, Kansas; 500 employees  
Mountain Bell, Lakewood, CO (banned on some floors)  
New Jersey Bell; 20,000 employees  
New Jersey State Department of Health; 1,300 employees  
New Milford Hospital, New Milford, CT; 450 employees.  
Opryland USA  
Pacific Mutual Life Insurance Co., Newport Beach, California; 1,200 employees  
Pacific Telesis Group, California and Nevada; 76,400 employees  
Perkin-Elmer Corporation, Norwalk, Connecticut headquarters; 10,000 employees  
Pima County, Arizona (Tucson); 4,000 employees  
Pitney Bowes, Fairfield County, CT; 7,000 employees  
Pratt & Whitney Aircraft, Government Products Division, Palm Beach, Florida; 7,000 employees (Hartford, Connecticut headquarters extended the rules to three divisions affecting more than 40,000 employees)  
Ramsey County Welfare Dept., St. Paul, Minnesota  
RFL Industries, Inc., Boonton Township, New Jersey; 300 employees  
W.W. Richardson Insurance Agency, Inc., Warren, Rhode Island  
Safeco Insurance, Seattle, Washington; 7,000 employees  
St. Thomas Hospital (visitor smoking only in designated areas of waiting rooms and cafeteria, patients allowed to smoke in rooms only with physician's permission. Hospital departments set own policy. Employee lounges on alternating floors are designated smoking or nonsmoking)  
Tallahassee Democrat, Tallahassee, Florida (smoking ban in newsroom)  
Television Bureau of Advertising, New York, New York  
The Tennessean (smokers segregated from nonsmokers; right of nonsmoker prevails where segregation is not possible. Smokeless ashtrays provided in newsroom. No smoking in public areas; nonsmoking area in cafeteria)

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**Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations (cont.):**

Tennessee State Government (Dept. of Health and Environment, Dept. of Health and Human Services, Dept. of Commerce and Insurance)  
U.S. Government, Department of Health & Human Services, Tennessee Valley Authority  
United Technologies Corporation, CT (including 4 Pratt & Whitney divisions); 600 corporate workers  
University of Arizona, Tucson, Arizona  
Vanderbilt University and Medical Center (no official smoking ban at the university, but hospital has designated smoking areas)  
Wall Street Journal, New York, New York  
Wells Fargo Bank, California  
Wichita, Kansas Fire Department; 400 employees

also companies that use Live for Life health program, including Johnson & Johnson, New Brunswick, New Jersey

**Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas:**

Adrian Construction Co., Inc., Dallas, Texas; 20 employees in office  
Amway Corp., Grand Rapids, MI  
Bass Shoe Co., ME  
Bata Shoes, Don Mills, Ontario, 200 employees  
Becton Dickinson and Co., Paramus, New Jersey; 600 employees (smoke-free except for some private offices. This policy is recommended for other U.S. and foreign sites 19,000 employees.)  
Blue Cross and Blue Shield of Minnesota, St. Paul, Minnesota; 1,600 employees  
Blue Cross and Blue Shield; New Jersey  
The Boeing Co., Seattle, Washington and Wichita, Kansas; 83,000 employees  
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees  
Campbell Soup Co., Camden, New Jersey (total smoking ban since 1969)  
Central Telephone Company-Nevada, Las Vegas, Nevada; 2,000 employees  
Chesapeake and Potomac Telephone Co., (10,500 employees)

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**Smoke-Free Companies, Except for Certain Lounges, and Cafeteria Areas:**

City Federal Savings and Loan Association, Piscataway, New Jersey, and elsewhere; 5,000 U.S. employees (smoking allowed in private offices)

C&P Telephone

C&T Telephone, Washington, D.C.

Connecticut Mutual Life Insurance Co., Hartford, Connecticut; 2,100 employees

Continental Heritage Press, Tulsa, Oklahoma; 12 employees

Continental Incorporated, Seattle, Washington; 130 employees

Adolph Coors Company, Golden, Colorado; 10,000 employees

Datascope Corp., Paramus, New Jersey; 700 employees (smoking allowed in private offices)

Deluxe Check Printers, St. Paul, Minnesota and 65 other locations in 35 states; 11,000 employees

Department of Health & Human Services, Region X Office, Seattle, Washington

Department of Human Resources, Charleston, W.VA

Duke Power Company, Charlotte, NC

Ellis Fischel State Cancer Center, Columbia, MD

Emporia Gazette, Lawrence KS

Falcon Safety Products, Mountainside, New Jersey

Family Life Insurance, Seattle, Washington

Federal Cartridge Corp., Anoka, Minnesota; 2,000 employees

Federal Government

Federal Home Loan Bank, IA

Ford Motor Company

Foremost Corporation of America, Grand Rapids, MI

Fusion Systems Corp., Rockville, Maryland (Smoking is allowed only in one or two enclosed, fully ventilated smoking rooms in each building.)

Grandview Hospital, Lansdale, PA

Group Health, Inc., Minneapolis, Minnesota; 2,000 employees

Guaranty Bank & Trust Co., MA

Johns-Manville, Denver, CO, (in effect approx. 1 year)

Journal Sentinel Inc., Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)

Juneau-Douglas Telephone Co., Juneau, Alaska; 75 employees

Kentrox Industries, Portland, Oregon

Kessler-Ellis Products, Atlantic Highlands, New Jersey; 85 employees

The King's Daughters' Hospital, Madison, IN; 1/1/90

Kraft Inc.; all Headquarters and Technology Center locations, (2/1/88 company sponsoring smoking cessation classes)

Kroger (in offices, company has supplied smokeless ash trays; in stores, employees may smoke only in designated break rooms)

Lee Company, Salina, Kansas

Levi Strauss and Co.

Love Box Co., Wichita, Kansas and elsewhere; 700 employees

Lowenstein Supply Corp., Vineland, New Jersey; 25 employees

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**Smoke-Free Companies, Except for Certain Lounges, and Cafeteria Areas:**

Lutheran Brotherhood, Minneapolis, Minnesota; 800 employees  
Medtronic Inc., Minneapolis, Minnesota; 3,000 employees  
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees  
Metro Government (Board of Health policy bans smoking in clinic waiting areas)  
Middletown, New Jersey Police Department  
Mississippi State University (restrict smoking in designated areas)  
The Milwaukee Journal, Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)  
MSI Insurance Co., Arden Hills, Minnesota; 800 employees  
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees (smoking cessation classes)  
New England Deaconess Hospital, Boston, Massachusetts  
Nissan Motor Manufacturing Corp. U.S.A., Carson, CA  
Northwestern National Life Insurance, Minneapolis, Minnesota; 2,000 employees  
Perkin-Elmer Corp., Physical Electronics Division, Eden Prairie, Minnesota 400 employees  
Premier Dental Products Co., Norristown, Pennsylvania; 65 employees  
Prentice Hall, Englewood Cliffs, NJ; 3,500 employees  
Press Herald and Evening Express, Portland, Maine  
Project Hope Millwood, Virginia; 100 employees  
Quadram Corp., Atlanta, GA (no smoking in executive suites; smoking limited to a designated lounge)  
Quakertown Free Press, Quakertown, Pennsylvania; 75 employees  
Quill Corporation, Lincolnshire, Illinois; 700 employees  
Raven Industries; Sioux Falls, South Dakota; 900 employees  
Record, Meriden, Connecticut  
Riviera Motors Portland, Oregon; 650 employees  
Santa Monica College, CA,  
Service Merchandise Co., Nashville, TN  
Shoney's Inc., Nashville, TN, (employees may smoke only in break room, no-smoking areas for customers)  
South Central Bell Telephone Co., Birmingham, AL  
Stanley Works World Headquarters, New Britain, Connecticut; 200 employees  
Stony Brook, State University  
Stride-Rite Shoe Co. Cambridge, Massachusetts  
Office of the Surgeon General and Office of International Health, U.S.  
Dept. of Health and Human Services, Rockville, Maryland

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**Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas (cont.):**

Texas Instruments, Dallas, TX, throughout U.S. (since 12/31/86)  
Tip Top Printing Co. Daytona Beach, Florida; 40 employees  
Unigard Insurance Group, Seattle, Washington; 1,600 employees  
U.S. Post Office, Tallahassee, Florida  
Verx Corp., Madison, WI, (As of March 1, 1988 only in smoking lounge)  
Washington Federal Savings and Loan Corp., Seattle, Washington; 200  
employees  
WCAL/WCAL-FM, Northfield, Minnesota  
Westlake Hospital, Melrose Park, Illinois; 1,200 employees

**Entirely Smoke-Free Workplaces:**

The Aerobics Activity Center, Dallas, Texas; 300 employees (effective since opening in 1972)  
Advanced Micro Devices Inc., Austin, Texas; 2,200 employees (effective Jan. 2, 1989, encourages smoke cessation classes)  
Aid Association for Lutherans, Appleton, Wisconsin (effective 5/87)  
Air France, (Washington Post 9/17/89 p. F1)  
Alaska Airlines, Seattle, WA; (making first class cabins on its aircraft non-smoking beginning Oct. 2)  
Allentown Health Bureau, Allentown, Pennsylvania (since 1985)  
Allstate Insurance Co., 5,8000 buildings and agent offices nationwide, (8/1/88)  
American Heart Association National Center, Dallas, Texas (no smoking allowed anywhere on property)  
American Lung Association, New York, New York and affiliates nationwide  
American State Insurance Company, Indianapolis (are not allowed to smoke on premises; have "no smoking" signs posted in their open air garage)  
Anderson's China Shop, Minneapolis, Minnesota (effective since 1982)  
Austad Co., Sioux Falls, South Dakota, 180 employees (effective since 1963)  
Benchmark Graphics, Plymouth, Minnesota (effective approx. 1980)  
Joan Eastman Bennett Property Designs, Summit, New Jersey; 25 employees  
Benton, Arkansas, schools ban all tobacco use on school property  
Bethel College Seminary, St. Paul, Minnesota (unwritten policy)  
Billy Graham Associates, Minneapolis, Minnesota; 300 employees (since approx. 1957 beginning of company) Blue Cross and Blue Shield Topeka, Kansas and 15 other ; 1,260 employees (effective 1/1/87)  
Blackwood/Formall Corp., Knoxville, Tennessee; 50 employees  
Blue Earth Hospital, MN (Employees may not smoke at all)  
Blue Shield, Camp Hill, PA (no smoking anywhere on complex; 1/4/88)

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Entirely Smoke-Free Workplaces (cont.):

Allied Van Lines, Naperville, IL (12/88)  
Arens Control Inc., Evanston, IL (total ban)  
Boyd Coffee Co., Portland, Oregon; 250 employees (in effect since apprx. 1979)  
British Columbia Hydro and Power Authority, Vancouver, Canada (12/1/86)  
Campbell Soup Co.,  
Cary Cuisine, Richmond, VA; Bruning, IL (10/1/88)  
Ceder Hill Landscaping, Somerset, New Jersey (approx. since 1972)  
Center for Science in the Public Interest, Washington, D.C. (since 1971)  
Chapel View Care Center, Hopkins, Minnesota (since approx. 1984)  
Charlotte Presbyterian Hospital; smoking not allowed by staff patient's or visitors, only exception: patients in private rooms with doctors consent (effective 11/17/88)  
Christie's, Richmond, VA  
CIGNA Health Plan of Arizona, Phoenix, Arizona, 1,800 employees (at least since 1985)  
The Cleveland Clinic Foundation, Cleveland, Ohio, (effective Jan. 1, 1989)  
Cognex Corp., Needham, MA (35 employees)  
C&P Telephone of West Virginia, (instituted a smoking ban 10/1/89)  
The Commercial Appeal, Memphis, TN; 200 employees, (2/1/88)  
Dallas-Fort Worth International Airport, Air Traffic Controllers (Radar Room)  
Delta Airlines, (Wall Street Journal, 8/15/89 p.A1)  
Eastern Airlines, (will ban smoking 2/25 on all U.S., Caribbean, Canada, Mexico flights)  
Enron Corp. smoking banned in its downtown office (approx. 10/27/89)  
Fairfax County Jail  
Federal Express  
Ford Motor Co. (effective 1/90)  
GE Capital Corp., (banned \*smoking\* from its office on Executive Center Drive)  
General Health, Inc., Washington, D.C., 50 employees (since approx. 1972-beginning of business)  
Goodyear (runs and promotes smoking cessation clinics)  
Gold Bond Building Products, Charlotte, NC (encourages cessation; effective since 9/1/87)  
Grace Place, Richmond, VA  
Group Health Cooperative, Seattle, Washington; 6,000 employees (in effect since April, 1985)  
Grumman, Suffolk, NY (in effect since apprx. 1986)  
Hallmark Cards Inc., KC (beginning 7/1/90)  
Hamburger Hamlet, Washington, D.C. (first restaurant in D.C.) (since 1982)  
Harpoon Realty, Sag Harbor, New York (in effect since approx. 1980)  
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (since approx. 1982)  
Holden, Massachusetts, Police Department (since approx. 1985)  
Holiday Corporation  
Hospital Corporation of America (ban in all corporate headquarters)  
I Can't Believe It's Yogurt!, Richmond, VA  
Indian Health Service, 47 hospitals and 300 clinics in 25 states  
Independent Press, New Providence, New Jersey  
Irvine Co., (effective 10/89)  
Janesville, Wisconsin, Fire Department (since approx. 1985)  
Journal, Salina, Kansas; 110 employees (since approx. 1984)  
Kansas Gas & Electric Co., Wichita, Kansas, and elsewhere; 2,200 employees (effective 1/88)  
King County Detention Center, Seattle, Washington (since approx. 8/89)

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**Entirely Smoke-Free Workplaces (cont.):**

LA Airport (no smoking for all air traffic controllers)  
Lincoln National Corp., Fort Wayne, Indiana; 3,000 employees (since 4/85)  
Lyle Stuart, Inc., Seacaucus, New Jersey; 40 employees (since approx. 1974)  
Metro State College  
Mercer County healthcare facilities; 9/1/89  
Merck & Co. Inc., Rahway NJ; 1400 employees  
Memorial Hospital, Chattanooga, TN  
Microwave Filter Co.; East Syracuse, New York; 120 employees (fires anyone who gets caught since 9/85)  
Missouri Social Services Dept., Health Dept.; 7,600 employees (effective January 1988 in all offices)  
Moselle Insurance Inc., Los Angeles, California (in effect more than 3 years)  
MPD Printing Summit, New Jersey; 20 employees (in effect since beginning appx. 1976)  
New England Memorial Hospital Stoneham, Massachusetts 1,400 employees (since approx. 1986)  
New Jersey Group Against Smoking Pollution, Summit, NJ  
New Jersey Hospital Association (NJHA), Princeton, NJ; (9/1/89)  
Newport Daily News, Newport, RI; 60 employees (since approx. 1984)  
Non-Smokers Inn, Dallas, Texas; 1st hotel w/ nonsmoking rooms (since 1973)  
Northwestern Bell Telephone Co., Omaha, Nebraska; 12,000 employees in Iowa, Minnesota, Nebraska, North and South Dakota (effective 1/1/87)  
Nutrition World, Edina, Minnesota (since opening)  
Oracle Corp., Bethesda, Maryland; 30 employees  
Oregon Health Sciences University, Portland, OR  
The Other Cafe (Comedy Club), San Francisco, CA (2/1/88)  
Pacific Northwest Bell, Washington, Oregon, Idaho; 15,000 employees  
Palm Harbor Homes, Inc., Austin, TX (May 3, 1988)  
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,900 employees (since 1/1/86)  
Ponderosa Hotel-Casino, Reno, NV  
Prince George's County, MD; County Administration Building, Largo Government Services Building, and all health department offices and treatment sites (2/14/88)  
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100 employees (no smoking allowed anywhere on property since 1982)  
Quin-T Corp., Tilton, New Hampshire; 65 employees  
Radar Electric Co., Seattle and Spokane, Washington, and Portland, Oregon (since beginning 1962)  
The Respiratory Health Association, Paramus, New Jersey (since beginning in 1969)  
Rodale Press, Emmaus, Pennsylvania; 850 employees (since approx. 1982)  
Rogue Valley Medical Center, Medford, OR  
Rustoleum Corp., Vernon Hills and Evanston, Illinois, and Hagerstown, Maryland; 1985

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**Entirely Smoke-Free Workplaces (cont.):**

Salina Family Physicians, Salina, Kansas (since 1977)  
Salina Journal, Salina, KS (prohibits smoking by all 104 employees; 80% are smokers); (since approx. 1983)  
Satellite Syndicated Systems, Inc., Tulsa, Oklahoma, and elsewhere in U.S.A.  
200 employees (since approx. 1985)  
Slack, Inc., Thorofare, New Jersey; 180 employees (since approx. 1985)  
Smarte Carte, Inc., White Bear Lake, Minnesota; 50 employees (no smoking in building or on grounds); (since 1986)  
Spenco Medical Corp., Waco, Texas; 400 employees (since 1974)  
St. Cloud Hospital, St. Cloud, MN, (smoking cessation classes), 11/87  
Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees (since 1971)  
Surrogate Hostess, Seattle, Washington; 40 employees (no smoking by employees and customers); (since 1974)  
Swing Insurance Agency, Woodbury, New Jersey; 12 employees (at least 1986)  
Tanglewood Ordinary, Richmond, VA  
Temple University, Philadelphia, Pennsylvania; (since 1990)  
The Ann Arbor News, Ann Arbor, MI (total ban of 200 employees); (since 9/86)  
Town Crier, Sudbury, Massachusetts; 40 employees (not official, just understood)  
Union Mutual Health Insurance Co., Portland, Maine; 3,700 employees  
United Guardian Corp., Long Island, NY (since approx. 1985)  
University of Minnesota, Division of Epidemiology, Minneapolis, Minnesota;  
500 employees (since 1986)  
University of Rochester, Medical Center, Rochester, NY; (effective 1/90)  
USGypsum Corp., IL (effective 4/89)  
U.S. Health Care, Blue Bell, Pennsylvania; 800 employees (at least since 1985)  
US West, Albuquerque, New Mexico (since 1989)  
US West Communications Inc., CO, MT, ID, WY, UT, NM, and AZ; (since 1989)  
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees  
Veterans Administration, Pennsylvania; San Diego, CA; both patient and employee smoking will be banned in all outpatient clinics and all acute-care sections (effective approx. mid 1989)  
Vie de France, Richmond, VA  
Virgin Atlantic Airways, NJ; (since 1990)  
Walter Reade Theaters, New York, NY (total ban)  
Wendy's Old Fashioned Hamburgers, VA  
Western Sizzlin Steak House, VA  
WRNJ, Hackettstown, New Jersey; 20 employees (since 1977)  
Yale-New Haven Hospital/Hospital of St. Raphael; 8,000 employees (since 1977)  
Zycad, Inc., Arden Hills, Minnesota; 230 employees (since 1985)  
Zytec Corp., Eden Prairie, Minnesota; 100 employees (since 1985)

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**Employers Who Hire Only Nonsmokers:**

Adrian Construction Co., Inc., Dallas, Texas (preference to nonsmokers)  
Alexandria, Virginia, Fire Department; 180 employees (recently extended to  
police and sheriffs)  
Anderson's China Shop; Minneapolis, Minnesota  
Arlington County, Virginia; fire-fighters and police  
Austad Co., Sioux Falls, South Dakota; 180 employees  
Bancroft Fire Protection District (will not hire smokers)  
Joan Eastman Bennett Property Designs, Summit, New Jersey  
Black Hills Hospital, Olympia, Washington  
Blue Cross and Blue Shield, Charleston, West Virginia; 760 employees  
(current employees who smoke 2 won't be required to quit)  
Cardinal Industries, Inc., Sanford, FL  
Center for Science in the Public Interest, Washington, D.C.  
Dean Equipment and Furniture Co., Inc., Fairfield, New Jersey  
Fairfax County, Virginia, firefighters and police  
Fortunoff, New York, New York  
Glaxo, Inc., Raleigh, NC  
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (preference to  
nonsmokers)  
Holden, Massachusetts, Police Department  
Independent Press, New Providence, New Jersey  
Janesville, Wisconsin Fire Department  
Johns-Manville, Denver, Colorado, and Manville, New Jersey; 8,000 employees  
Litho Industries, Raleigh, NC  
Manteca, California, Police Department and Fire Department  
Midwest City, Oklahoma, Fire Department  
MSI Insurance Co., Arden Hills, Minnesota; 800 employees  
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees  
New Jersey Group Against Smoking Pollution; Summit, New Jersey  
Non-Smokers Inn, Dallas, Texas  
Norman, Oklahoma, Fire Department  
Northern Life Insurance Co., Seattle, Washington; 200 employees  
Oklahoma City, Oklahoma, Fire Department  
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees  
(preference to nonsmokers)  
Pro-Tec, Bellevue, Washington  
Quin-T Corp., Tilton, New Hampshire; 65 employees  
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon  
The Respiratory Health Association, Paramus, New Jersey  
Riviera Motors, Portland, Oregon; 650 employees  
Salem, Oregon Fire Department  
Shaker Heights, Ohio, Fire Department; 70 employees  
Spenco Medical Corp., Waco, Texas; 400 employees

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**Employers Who Hire Only Nonsmokers (cont.):**

Bancroft Fire Protection District  
Cardinal Industries, Inc., Sanford, FL  
Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees  
Swing Insurance Agency, Woodbury, New Jersey; 12 employees  
Turner Broadcasting System  
USG Corporation, Chicago and all plants (total ban at work and at home,  
effective 1/12/87)  
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees  
Wayne Green Enterprises, Peterborough, New Hampshire  
Westlake Community Hospital, Melrose Park, Illinois; 1,200 employees  
Westminster Office Machines Inc., Lake Bluff, Illinois  
Wichita, Kansas, Fire Department, 400 employees

**Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit:**

Aluminair Standard Glass Co., Gallup, New Mexico  
American Hoechst Specialty Products Group, Somerville, New Jersey  
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees  
Chicago Metallic Products, Inc. 750 employees (\$500 per quitter per year)  
City Federal Savings & Loan; Birmingham, Alabama; 300 employees  
Cleveland Pneumatic, Cleveland, Ohio  
Cybertek Computer Products, Inc., Los Angeles, California; 150 employees  
G.W. Dahl Co., Inc., Bristol, Rhode Island  
Deluxe Check Printers, Inc., Clifton, New Jersey; 300 employees  
Dollar Inn Albuquerque, New Mexico  
Dow Chemical Co., Texas Division, Freeport, Texas  
Dyco Petroleum, Minneapolis, Minnesota, and Tulsa, Oklahoma; 200 employees  
Farley Industries (provides fitness facilities, seminars, health screenings  
& bonuses in order to help smokers quit; effective 9/1/89)  
Ebsco Industries, Red Bank, New Jersey  
Flexcon Co., Spencer, Massachusetts; 500 employees (\$30/mth to quitters,  
\$15/mth to those who reduce consumption)  
General Services Life Insurance Co.; gives smokers nonsmokers's rates,  
if smokers promise they'll quit within 3 years (since 11/88)  
Hartford Insurance Group, Hartford, Connecticut  
Intermatic, Inc., Spring Grove, Illinois  
J.N. Mills Co. Inc., Southwest Harbor, ME, (\$500 to employees who quit for  
a year)  
Johnson & Johnson; New Brunswick, New Jersey  
Journal, Salina, Kansas; 110 employees  
Knight Publishing (Charlotte News, The Observer) (encourages employees to quit)  
Leslie Manufacturing & Supply Co., Minneapolis, Minnesota  
Lowenstein Supply Corp., Vineland, New Jersey; 25 employees

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**Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit:**

Mahoning Culvert Co., Canfield, Ohio; 36 employees  
Major Pool Equipment Co., Clifton, New Jersey  
Martin Engineering, Neponset, IL (current employees receive \$1,000 for quitting; new hires must sign no-smoking pledge)  
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees  
Mesa Petroleum, Amarillo, TX (cessation bonus)  
Microwave Filter Co., East Syracuse, New York; 120 employees  
MSI Insurance, Arden Hills, Minnesota; 800 employees  
Neon Electric Corp., Houston, Texas  
New York Telephone (smoking cessation classes, 80,000 employees)  
Noweco, Spokane, Washington  
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees  
Perkin-Elmer Corporation, Physical Electronics Division, Eden Prairie, Minnesota; 400 employees  
Pioneer Plastics, Auburn, Maine  
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100 employees  
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon  
Rhulen Agency, Monticello, New York  
Rodale Press, Emmaus, Pennsylvania; 350 employees  
Salina Family Physicians, Salina, Kansas (dental insurance for nonsmoking employees only)  
Sentry Insurance Co., Stevens Point, Wisconsin; 10,000 employees  
Slack, Inc., Thorofare, New Jersey; 180 employees  
Speedcall Corp., Hayward, California  
Tenneco (cessation program)  
Westminster Office Machines, Lake Bluff, Illinois

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**APPENDIX B**

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Alabama

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALABAMA

- 7,062 jobs through core and supplier sectors
- 26,197 jobs through consumer expenditures on tobacco products
- 33,259 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16.5 cents per pack
- 864,000 smokers pay \$148.5 million extra state and federal taxes
  - The federal government gets \$73.1 million of this amount
  - The state government gets \$75.4 million
- Alabama collects \$27.4 million in sales tax revenue from cigarettes
- At current rates, 27.7% of the total price of a pack of cigarettes in Alabama is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,149 jobs could be lost in the state
  - 245 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 904 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,297 jobs could be lost in the state
  - 490 jobs would be lost in the core and supplier sector
  - The man-hour equivalent of another 1,807 jobs could be lost due to the expenditure-induced impact
- State would lose over \$5.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Alaska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALASKA

- 929 jobs through core and supplier sectors
- 1,985 jobs through consumer expenditures on tobacco products
- 2,914 total tobacco related jobs

TAXES

- State Excise Tax Rate is 29 cents per pack
- 101,000 smokers pay \$25.3 million extra state and federal taxes
  - The federal government gets \$9 million of this amount
  - The state government also gets \$16.3 million
- Since the federal cigarette tax was doubled in January 1983, Alaska state cigarette taxes have increased 262.5%.
- At current rate, 26.5¢ of the total price of a pack of cigarettes in Alaska is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 82 jobs could be lost in the state
  - 26 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 56 jobs could be lost due to expenditure-induced impact
- State would lose over \$460,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 165 jobs could be lost in the state
  - 53 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 112 jobs could be lost due to expenditure-induced impact
- State would lose over \$921,700 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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## EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

### Arizona

#### CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

##### TOBACCO-RELATED EMPLOYMENT IN ARIZONA

- 5,211 jobs through core and supplier sectors
- 13,274 jobs through consumer expenditures
- 18,485 total tobacco-related jobs

##### TAXES

- State Excise Tax Rate is 15 cents per pack
- 659,000 smokers pay \$105.2 million extra state and federal taxes
  - The federal government gets \$54.3 million of this amount
  - The state government gets \$50.9 million
- Arizona collects \$23.8 million in sales tax revenues from cigarettes
- At current rates, 29.2% of the total price of a pack of cigarettes in Arizona is tax

#### THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

##### 8 Cent Increase (from 16 to 24 cents per pack)

- Total of 683 jobs could be lost in the state
  - 192 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 491 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

##### 16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,365 jobs could be lost in the state
  - 385 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 980 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Arkansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ARKANSAS

- 4,076 jobs through core and supplier sectors
- 11,781 jobs through consumer expenditures on tobacco products
- 15,857 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 21 cents per pack
- 509,000 smokers pay \$105.4 million extra state and federal taxes
  - The federal government gets \$45.6 million of this amount
  - The state government gets \$59.8 million
- Arkansas collects \$17.1 million in sales tax revenues from cigarettes
- At current rates, 30.5% of the total price of a pack of cigarettes in Arkansas is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 540 jobs could be lost in the state
  - 140 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 400 jobs could be lost due to expenditure-induced impact
- State would lose over \$2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,080 jobs could be lost in the state
  - 279 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 801 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

California

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CALIFORNIA

- 45,084 jobs through core and supplier sectors
- 85,375 jobs through consumer expenditures on tobacco products
- 130,459 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 35 cents per pack
- 5,668,000 smokers pay \$876.3 million extra state and federal taxes
  - The federal government gets \$372.3 million of this amount
  - The state government gets \$504 million
- California collects \$188.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, California state cigarette taxes have increased 250%
- At current rates, 37.4% of the total price of a pack of cigarettes in California is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,842 jobs could be lost in the state
  - 1,327 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,515 jobs could be lost due to expenditure-induced impact
- State would lose over \$24 million in excise tax revenue\*

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,683 jobs could be lost in the state
  - 2,655 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,028 jobs could be lost due to expenditure-induced impact
- State would lose over \$48 million in excise tax revenue\*

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Colorado

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN COLORADO

- 6,166 jobs through core and supplier sectors
- 15,023 jobs through consumer expenditures on tobacco products
- 21,189 jobs total tobacco-related jobs

TAXES

- State Excise Tax Rate is 20 cents per pack
- 697,000 smokers pay \$108 million extra state and federal taxes
  - The federal government gets \$48 million of this amount
  - The state government gets \$60 million
- At current rates, 24.2% of the total price of a pack of cigarettes in Colorado is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 683 jobs could be lost in the state
  - 200 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 483 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,365 jobs could be lost in the state
  - 398 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 967 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Connecticut

CURRENT IMPACT OF TOBACOO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CONNECTICUT

- 13,332 jobs through core and supplier sectors
- 18,178 jobs through consumer expenditures on tobacco products
- 31,510 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40 cents per pack
- 722,000 smokers pay \$150.1 million extra state and federal taxes
  - The federal government gets \$52.5 million of this amount
  - The state government gets \$97.6 million
- Connecticut collects \$37.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Connecticut state cigarette taxes have increased 90.5%.
- At current rates, 40.4% of the total price of a pack of cigarettes in Connecticut is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 884 jobs could be lost in the state
  - 373 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 511 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,769 jobs could be lost in the state
  - 747 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,022 jobs could be lost due to expenditure-induced impact
- State would lose over \$7.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Delaware

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN DELAWARE

- 1,178 jobs through core and supplier sectors
- 4,838 jobs through consumer expenditures on tobacco products
- 6,016 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 14 cents per pack
- 137,000 smokers pay \$25.8 million extra state and federal taxes
  - The federal government gets \$13.8 million of this amount
  - The state government gets almost \$12 million
- At current rates, 21.4% of the total price of a pack of cigarettes in Delaware is tax

THE IMPACT OF AN INCREASE OF THE FEDERAL EXCISE TAX

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 206 jobs could be lost in the state
  - 40 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 166 jobs could be lost through expenditure-induced impact
- State would lose over \$412,940 in excise tax revenue

16 Cent Increase (from 16 to 32 cents)

- Total of 413 jobs could be lost in the state
  - 81 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 332 jobs could be lost due to expenditure-induced impact
- State would lose over \$825,900 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Florida

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN FLORIDA

- 24,982 jobs through core and supplier sectors
- 70,073 jobs through consumer expenditures on tobacco products
- 95,055 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 2,540,000 smokers pay \$569.3 million extra state and federal taxes
  - The federal government gets \$227.7 million of this amount
  - The state government gets \$341.6 million
- Florida collects \$128.1 million in sales tax revenue from cigarettes
- At current rates, 32.7% of the total price of a pack of cigarettes in Florida is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,042 jobs could be lost in the state
  - 800 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,242 jobs could be lost due to expenditure-induced impact
- State would lose over \$10.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 6,084 jobs could be lost in the state
  - 1,600 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,484 jobs could be lost due to expenditure-induced impact
- State would lose over \$21.9 million in excise tax revenue

Sources: The Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Georgia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN GEORGIA

- 27,715 jobs through core and supplier sectors
- 36,888 jobs through consumer expenditures on tobacco products
- 64,603 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack
- 1,262,000 smokers pay \$215.2 million extra state and federal taxes
  - The federal government gets over \$123 million of this amount
  - The state government gets over \$92.2 million
- Georgia collects \$30.7 million in sales tax revenue from cigarettes
- At current rates, 24.2% of the total price of a pack of cigarettes in Georgia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,349 jobs could be lost in the state
  - 1,007 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,342 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,698 jobs could be lost in the state
  - 2,015 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,683 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Hawaii

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN HAWAII

- 1,739 jobs through core and supplier sectors
- 2,022 jobs through consumer expenditures on tobacco products
- 3,761 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40¢
- 226,000 smokers pay \$32.9 million extra state and federal taxes
  - The federal government gets \$10.1 million of this amount
  - The state government gets over \$22.8 million
- Hawaii collects \$4.4 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Hawaii state cigarette taxes have increased 71.4¢.
- At current rates, 35.1% of the total price of a pack of cigarettes in Hawaii is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 107 jobs could be lost in the state
  - 50 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 57 jobs could be lost due to expenditure-induced impact
- State would lose over \$652,100 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 215 jobs could be lost in the state
  - 99 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 116 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Idaho

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IDAHO

- 1,553 jobs through core and supplier sectors
- 4,728 jobs through consumer expenditures on tobacco products
- 6,281 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 204,000 smokers pay \$27.9 million extra state and federal taxes
  - The federal government gets \$13.1 million of this amount
  - The state government gets \$14.8 million
- Idaho collects \$5.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Idaho state cigarette taxes have increased 97.8¢
- At current rates, 29.1¢ of the total price of a pack of cigarettes in Idaho is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 214 jobs could be lost in the state
  - 54 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 160 jobs could be lost due to expenditure-induced impact
- State would lose over \$503,100 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 428 jobs could be lost in the state
  - 108 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 320 jobs could be lost due to expenditure-induced impact
- State would lose over \$1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Illinois

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ILLINOIS

- 28,835 jobs through core and supplier sectors
- 79,511 jobs through consumer expenditures on tobacco products
- 108,346 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 2,526,000 smokers pay \$576.6 million extra state and federal taxes
  - The federal government gets \$200.6 million of this amount
  - The state government gets \$376 million
- Illinois collects \$112.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Illinois state cigarette taxes have increased 150%
- At current rates, 37.4% of the total price of a pack of cigarettes in Illinois is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,538 jobs could be lost in the state
  - 942 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,596 jobs could be lost due to expenditure-induced impact
- State would lose over \$12.3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,076 jobs could be lost in the state
  - 1,883 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,193 jobs could be lost due to expenditure-induced impact
- State would lose over \$24.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Indiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN INDIANA

- 11,257 jobs through core and supplier sectors
- 35,071 jobs through consumer expenditures on tobacco products
- 46,328 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15.5 cents per pack
- 1,196,000 smokers pay \$228.2 billion extra state and federal taxes
  - The federal government gets \$115.9 million of this amount
  - The state government gets \$112.3 million
- Indiana collects \$50.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Indiana state cigarette taxes have increased 47.6%.
- At current rates, 29.6% of the total price of a pack of cigarettes in Indiana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,711 jobs could be lost in the state
  - 416 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,295 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,421 jobs could be lost in the state
  - 831 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,590 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Iowa

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IOWA

- 5,600 jobs through core and supplier sectors
- 16,495 jobs through consumer expenditures on tobacco products
- 22,095 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 31 cents per pack, effective 3/88
- 638,000 smokers pay \$126.3 million extra state and federal taxes
  - The federal government gets \$43 million of this amount
  - The state government gets \$83.3 million
- Iowa collects \$16.1 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Iowa state cigarette taxes have increased 72.2%
- At current rates, 35.6% of the total price of a pack of cigarettes in Iowa is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 712 jobs could be lost in the state
  - 181 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 531 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenues

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,424 jobs could be lost in the state
  - 361 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,063 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.4 million in excise tax revenues

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Kansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KANSAS

- 4,724 jobs through core and supplier sectors
- 14,962 jobs through consumer expenditures on tobacco products
- 19,686 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 536,000 smokers pay \$96.7 million extra state and federal taxes
  - The federal government gets \$38.7 million of this amount
  - The state government gets \$58 million
- Kansas collects \$14.5 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Kansas state cigarette taxes have increased 118%
- At current rates, 31.7% of the total price of a pack of cigarettes in Kansas is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 652 jobs could be lost in the state
  - 156 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 496 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,303 jobs could be lost in the state
  - 310 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 993 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Kentucky

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KENTUCKY

- 57,022 jobs through core and supplier sectors
- 78,066 jobs through consumer expenditures on tobacco products
- 135,088 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 3 cents per pack
- 808,000 smokers pay \$123 million extra state and federal taxes
  - The federal government gets \$103.6 million of this amount
  - The state government gets \$19.4 million
- Kentucky collects \$38.9 million in sales tax revenue from cigarettes
- At current rates, 21.7% of the total price of a pack of cigarettes in Kentucky is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,638 jobs could be lost in the state
  - 2,380 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,258 jobs could be lost due to expenditure-induced impact
- State would lose over \$810,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 11,277 jobs could be lost in the state
  - 4,760 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,517 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Louisiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN LOUISIANA

- 8,388 jobs through core and supplier sectors
- 16,255 jobs through consumer expenditures on tobacco products
- 24,643 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16 cents per pack
- 932,000 smokers pay almost \$143.8 million extra state and federal taxes
  - The federal government gets \$71.9 million of this amount
  - The state government gets \$71.9 million
- Louisiana collects \$27 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Louisiana state cigarette taxes have increased 45.5%.
- At current rates, 26.6% of the total price of a pack of cigarettes is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 827 jobs could be lost in the state
  - 281 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 541 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,654 jobs could be lost in the state
  - 562 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,092 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Maine

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MAINE

- 2,188 jobs through core and supplier sectors
- 5,475 jobs through consumer expenditures on tobacco products
- 7,633 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 31 cents per pack
- 255,000 smokers pay \$69.3 million extra state and federal taxes
  - The federal government gets \$ 23.6 million of this amount
  - The state government gets \$ 45.7 million
- Maine collects \$11.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Maine state cigarette taxes have increased 93.8%
- At current rates, 33.7% of the total price of a pack of cigarettes in Maine is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 226 jobs could be lost in the state
  - 64 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 162 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 451 jobs could be lost in the state
  - 130 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 321 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Maryland

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MARYLAND

- 11,222 jobs through core and supplier sectors
- 18,500 jobs through consumer expenditures on tobacco products
- 29,722 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 979,000 smokers pay \$146.8 million extra state and federal taxes
  - The federal government gets \$ 81 million of this amount
  - The state government gets \$ 65.8 million
- At current rates, 22.1% of the total price of a pack of cigarettes in Maryland is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,089 jobs could be lost in the state
  - 410 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 678 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,178 jobs could be lost in the state
  - 822 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,356 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
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Massachusetts

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MASSACHUSETTS

- 13,614 jobs through core and supplier sectors
- 33,263 jobs through consumer expenditures on tobacco products
- 46,877 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 26 cents per pack
- 1,330,000 smokers pay \$258.7 million extra state and federal taxes
  - The federal government gets \$ 98.6 million of this amount
  - The state government gets \$160.1 million
- Massachusetts collects \$49.3 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Massachusetts state cigarette taxes have increased 23.8%
- At current rates, 33.1% of the total price of a pack of cigarettes in Massachusetts is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,490 jobs could be lost in the state
  - 433 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,057 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,980 jobs could be lost in the state
  - 865 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,115 jobs could be lost due to expenditure-induced impact
- State would lose over \$10.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Michigan

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MICHIGAN

- 14,852 jobs through core and supplier sectors
- 57,235 jobs through consumer expenditures on tobacco products
- 72,087 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 25 cents per pack, effective 1/88
- 1,977,000 smokers pay \$446.4 million extra state and federal taxes
  - The federal government gets \$174.2 million of this amount
  - The state government gets \$272.2 million
- Michigan collects \$65.3 million in sales tax revenue from cigarettes
- At current rates, 33.1% of the total price of a pack of cigarettes in Michigan is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,437 jobs could be lost in the state
  - 503 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,934 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,873 jobs could be lost in the state
  - 1,006 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,867 jobs could be lost due to expenditure-induced impact
- State would lose over \$18.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Minnesota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MINNESOTA

- 8,952 jobs through core and supplier sectors
- 24,188 jobs through consumer expenditures on tobacco products
- 33,140 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 38 cents per pack
- 911,000 smokers pay 215.7 million extra state and federal taxes
  - The federal government gets \$63.9 million of this amount
  - The state government gets \$151.8 million
- Minnesota collects \$40 million in sales tax revenue from cigarettes
- Since the Federal Excise Tax was doubled in 1983, Minnesota state cigarette taxes have increased 111.1%
- At current rates, 40% of the total price of a pack of cigarettes in Minnesota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 994 jobs could be lost in the state
  - 268 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 726 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,988 jobs could be lost in the state
  - 537 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,451 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Mississippi

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSISSIPPI

- 4,181 jobs through core and supplier sectors
- 17,086 jobs through consumer expenditures on tobacco products
- 21,267 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 540,000 smokers pay \$98.2 million extra state and federal taxes
  - The federal government gets \$46.2 million of this amount
  - The state government gets \$52.0 million
- Mississippi collects \$23.1 million in sales tax revenue from cigarettes
- Since the federal excise tax was doubled in 1983, Mississippi state cigarette taxes have increased 63.6%
- At current rates, 30.4% of the total price of a pack of cigarettes in Mississippi is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 740 jobs could be lost in the state
  - 145 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 595 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.8 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,479 jobs could be lost in the state
  - 290 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,189 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Missouri

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSOURI

- 10,176 jobs through core and supplier sectors
- 25,701 jobs through consumer expenditures on tobacco products
- 35,877 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,108,000 smokers pay \$185.4 million extra state and federal taxes
  - The federal government gets \$102.3 million of this amount
  - The state government gets \$83.1 million
- Missouri collects \$32 million in sales tax revenues from cigarettes
- At current rates, 26.6% of the total price of a pack of cigarettes in Missouri is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,345 jobs could be lost in the state
  - 382 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 963 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,691 could be lost in the state
  - 764 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,927 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Montana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MONTANA

- 1,449 jobs through core and supplier sectors
- 3,306 jobs through consumer expenditures on tobacco products
- 4,755 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,648,000 smokers pay \$24 million extra state and federal taxes
  - The federal government gets \$11.3 million of this amount
  - The state government gets \$12.7 million
- Since the federal excise tax increase in 1983, Montana state cigarette taxes have increased 50%
- At current rates, 24.3% of the total price of a pack of cigarettes in Montana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 163 jobs could be lost in the state
  - 50 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 113 jobs could be lost due to expenditure-induced impact
- State would lose over \$436,300 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 326 jobs could be lost in the state
  - 101 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 225 jobs could be lost due to expenditure-induced impact
- State would lose over \$872,600 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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Nebraska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEBRASKA

- 3,353 jobs through core and supplier sectors
- 5,458 jobs through consumer expenditures on tobacco products
- 8,811 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 349,000 smokers pay \$65.1 million extra state and federal taxes
  - The federal government gets \$24.2 million of this amount
  - The state government gets \$40.9 million
- Nebraska collects \$9.1 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nebraska state cigarette taxes have increased 50%
- At current rates, 34.3% of the total price of a pack of cigarettes in Nebraska is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 296 jobs could be lost in the state
  - 113 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 183 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 592 jobs could be lost in the state
  - 226 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 366 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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Nevada

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEVADA

- 1,897 jobs through core and supplier sectors
- 2,416 jobs through consumer expenditures on tobacco products
- 4,313 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 35 cents per pack
- 203,000 smokers pay \$75.3 million extra state and federal taxes
  - The federal government gets \$23.6 million of this amount
  - The state government gets over \$51.7 million
- Nevada collects \$14.8 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nevada state cigarette taxes have increased 25¢
- At current rates, 35.3% of the total price of a pack of cigarettes in Nevada is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 120 jobs could be lost in the state
  - 53 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 67 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 239 jobs could be lost in the state
  - 105 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 134 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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New Hampshire

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW HAMPSHIRE

- 1,934 jobs through core and supplier sectors
- 7,024 jobs through consumer expenditures on tobacco products
- 8,958 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 25 cents per pack
- 217,000 smokers pay \$77.9 million extra state and federal taxes
  - The federal government gets \$30.4 million of this amount
  - The state government gets \$47.5 million
- Since the federal excise tax was doubled in 1983, New Hampshire state cigarette taxes have increased 108.3%
- At current rates, 30.4% of the total price of a pack of cigarettes in New Hampshire is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 319 jobs could be lost in the state
  - 69 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 250 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 637 jobs could be lost in the state
  - 137 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 500 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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New Jersey

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW JERSEY

- 17,725 jobs through core and supplier sectors
- 64,774 jobs through consumer expenditures on tobacco products
- 82,499 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 1,699,000 smokers pay \$345.5 million extra state and federal taxes
  - The federal government gets \$128.6 million of this amount
  - The state government gets \$216.9 million
  - At current rates, 28.9% of the total price of a pack of cigarettes in New Jersey is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,658 jobs could be lost in the state
  - 571 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,087 jobs could be lost due to expenditure-induced impact
- State would lose over \$7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 5,315 jobs could be lost in the state
  - 1,140 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,175 jobs could be lost due to expenditure-induced impact
- State would lose over \$14 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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New Mexico

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW MEXICO

- 2,104 jobs through core and supplier sectors
- 3,448 jobs through consumer expenditures on tobacco products
- 5,552 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15 cents per pack
- 296,000 smokers pay 35.5 million extra state and federal taxes
  - The federal government gets \$18.3 million of this amount
  - The state government gets \$17.2 million
- New Mexico collects \$6.9 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, New Mexico state cigarette taxes have increased 25%
- At current rates, 27.8% of the total price of a pack of cigarettes in New Mexico is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 200 jobs could be lost in the state
  - 76 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 124 jobs could be lost due to expenditure-induced impact
- State would lose over \$619,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 401 jobs could be lost in the state
  - 152 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 249 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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## EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

### New York

#### CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

##### TOBACCO-RELATED EMPLOYMENT IN NEW YORK

- 45,404 jobs through core and supplier sectors
- 200,625 jobs through consumer expenditures on tobacco products
- 246,029 total tobacco-related jobs

##### TAXES

- State Excise Tax Rate is 33 cents per pack
- 4,004,000 smokers pay \$706.3 million extra state and federal taxes
  - The federal government gets \$288.7 million of this amount
  - The state government gets \$417.6 million
- New York collects \$104.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax doubled in 1983, New York state cigarette taxes have increased 120%
- At current rates, 33.5% of the total price of a pack of cigarettes in New York is tax

#### THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

##### 8 Cent Increase (from 16 to 24 cents per pack)

- Total of 7,071 jobs could be lost in the state
  - 1,305 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,766 jobs could be lost due to expenditure-induced impact
- State would lose over \$17.1 million in excise tax revenue

##### 16 Cent Increase (from 16 to 32 cents per pack)

- Total of 14,143 jobs could be lost in the state
  - 2,609 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 11,534 jobs could be lost due to expenditure-induced impact
- State would lose over \$34.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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North Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NORTH CAROLINA

- 99,343 jobs through core and supplier sectors
- 159,147 jobs through consumer expenditures on tobacco products
- 258,490 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2 cents per pack
- 1,370,000 smokers pay \$164.9 million extra state and federal taxes
  - The federal government gets \$146.6 million of this amount
  - The state government gets \$18.3 million
- North Carolina collects \$27.5 million in sales tax revenues from cigarettes
- At current rates, 18.1% of the total price of a pack of cigarettes in North Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 10,696 jobs could be lost in the state
  - 4,111 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,585 jobs could be lost due to expenditure-induced impact
- State would lose over \$758,400 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 21,392 jobs could be lost in the state
  - 8,221 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 13,171 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.5 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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## **EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES**

### **North Dakota**

#### **CURRENT IMPACT OF TOBACCO ON THE ECONOMY:**

##### **TOBACCO-RELATED EMPLOYMENT IN NORTH DAKOTA**

- 1,355 jobs through core and supplier sectors
- 1,546 jobs through consumer expenditures on tobacco products
- 2,901 total tobacco-related jobs

##### **TAXES**

- State Excise Tax Rate is 30 cents per pack
- 146,000 smokers pay over \$27.6 million extra state and federal taxes
  - The federal government gets \$9.6 million of this amount
  - The state government gets \$18 million
- North Dakota collects \$4.8 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, North Dakota state cigarette taxes have increased 150%
- At current rates, 37.5% of the total price of a pack of cigarettes in North Dakota is tax

#### **THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:**

##### **8 Cent Increase (from 16 to 24 cents per pack)**

- Total of 97 jobs could be lost in the state
  - 47 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 50 jobs could be lost due to expenditure-induced impact
- State would lose over \$600,000 in excise tax revenue

##### **16 Cent Increase (from 16 to 32 cents per pack)**

- Total of 193 jobs could be lost in the state
  - 93 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 100 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Ohio

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OHIO

- 22,174 jobs through core and supplier sectors
- 84,206 jobs through consumer expenditures on tobacco products
- 106,380 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,362,000 smokers pay \$439.3 million extra state and federal taxes
  - The federal government gets over \$206.7 million of this amount
  - The state government gets about \$232.6 million
- Ohio collects \$90.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Ohio state cigarette taxes have increased 28.6%
- At current rates, 30.4% of the total price of a pack of cigarettes in Ohio is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,782 jobs could be lost in the state
  - 788 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,994 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,565 jobs could be lost in the state
  - 1,577 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,988 jobs could be lost due to expenditure-induced impact
- State would lose over \$16.5 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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Oklahoma

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OKLAHOMA

- 5,864 jobs through core and supplier sectors
- 11,819 jobs through consumer expenditures on tobacco products
- 17,683 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 713,000 smokers pay \$126 million extra state and federal taxes
  - The federal government gets \$51.7 million of this amount
  - The state government gets \$74.3 million
- Oklahoma collects \$19.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Oklahoma state cigarette taxes have increased 27.8%
- At current rates, 30.8% of the total price of a pack of cigarettes in Oklahoma is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 581 jobs could be lost in the state
  - 193 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 388 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,163 jobs could be lost in the state
  - 388 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 775 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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Oregon

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OREGON

- 4,609 jobs through core and supplier sectors
- 17,148 jobs through consumer expenditures on tobacco products
- 21,757 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 28 cents per pack
- 590,000 smokers pay \$129.2 million extra state and federal taxes
  - The federal government gets \$47 million of this amount
  - The state government gets \$82.2 million
- Since the federal cigarette tax was doubled in 1983, Oregon state cigarette taxes have increased 47.4%
- At current rates, 28.2% of the total price of a pack of cigarettes in Oregon is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 669 jobs could be lost in the state
  - 141 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 528 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,339 jobs could be lost in the state
  - 284 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,055 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Pennsylvania

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN PENNSYLVANIA

- 28,892 jobs through core and supplier sectors
- 63,928 jobs through consumer expenditures on tobacco products
- 92,820 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,697,000 smokers pay 424.1 million extra state and federal taxes
  - The federal government gets \$206.4 million of this amount
  - The state government gets \$232.2 million
- Pennsylvania collects \$103.2 million in sales tax revenues from cigarettes
- At current rates, 31.6% of the total price of a pack of cigarettes in Pennsylvania is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,350 jobs could be lost in the state
  - 1,043 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,307 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 6,700 jobs could be lost in the state
  - 2,085 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,614 jobs could be lost due to expenditure-induced impact
- State would lose over \$16.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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Rhode Island

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN RHODE ISLAND

- 1,832 jobs through core and supplier sectors
- 4,403 jobs through consumer expenditures on tobacco products
- 6,235 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 37 cents per pack, effective 7/88
- 221,000 smokers pay \$55.5 million extra state and federal taxes
  - The federal government gets \$21.1 million of this amount
  - The state government gets \$34.4 million
- Since the federal cigarette tax was doubled in 1983, Rhode Island state cigarette taxes have increased 37%
- At current rates, 35.3% of the total price of a pack of cigarettes in Rhode Island is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 200 jobs could be lost in the state
  - 59 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 141 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 399 jobs could be lost in the state
  - 117 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 282 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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FEDERAL EXCISE TAX ON CIGARETTES

South Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH CAROLINA

- 15,128 jobs through core and supplier sectors
- 23,795 jobs through consumer expenditures on tobacco products
- 38,923 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 7 cents per pack
- 713,000 smokers pay \$98.6 million extra state and federal taxes
  - The federal government gets \$68.6 million of this amount
  - The state government gets \$30 million
- South Carolina collects \$25.7 million in sales tax revenues from cigarettes
- At current rates, 23.2% of the total price of a pack of cigarettes in South Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,495 jobs could be lost in the state
  - 581 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 914 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,989 jobs could be lost in the state
  - 1,162 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,827 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

South Dakota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH DAKOTA

- 1,322 jobs through core and supplier sectors
- 1,757 jobs through consumer expenditures on tobacco products
- 3,079 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 150,000 smokers pay \$24.3 million extra state and federal taxes
  - The federal government gets \$10 million of this amount
  - The state government gets \$14.4 million
- South Dakota collects \$3.7 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, South Dakota state cigarette taxes have increased 53.3%
- At current rates, 32.6% of the total price of a pack of cigarettes in South Dakota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 107 jobs could be lost in the state
  - 45 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 62 jobs could be lost due to expenditure-induced impact
- State would lose over \$499,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 214 jobs could be lost in the state
  - 90 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 124 jobs could be lost due to expenditure-induced impact
- State would lose over \$998,400 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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FEDERAL EXCISE TAX ON CIGARETTES

Tennessee

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN TENNESSEE

- 20,450 jobs through core and supplier sectors
- 31,210 jobs through consumer expenditures on tobacco products
- 51,660 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,041,000 smokers pay \$178.9 million extra state and federal taxes
  - The federal government gets \$98.7 million of this amount
  - The state government gets \$80.2 million
- Tennessee collects \$61.7 million in sales tax revenues from cigarettes
- At current rates, 28.9% of the total price of a pack of cigarettes in Tennessee is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,837 jobs could be lost in the state
  - 727 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,100 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,674 jobs could be lost in the state
  - 1,455 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,219 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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# EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

## Texas

### CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

#### TOBACCO-RELATED EMPLOYMENT IN TEXAS

- 32,003 jobs through core and supplier sectors
- 78,678 jobs through consumer expenditures on tobacco products
- 110,681 total tobacco-related jobs

#### TAXES

- State Excise Tax Rate is 26 cents per pack
- 3,382,000 smokers pay \$654.5 million extra state and federal taxes
  - The federal government gets \$249.3 million of this amount
  - The state government gets \$405.2 million
- Texas collects \$140.2 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Texas state cigarette taxes have increased 40.5%
- At current rates, 35.2% of the total price of a pack of cigarettes in Texas is tax

### THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

#### 8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,664 jobs could be lost in the state
  - 1,059 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,605 jobs could be lost due to expenditure-induced impact
- State would lose over \$13.4 million in excise tax revenue

#### 16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,328 jobs could be lost in the state
  - 2,118 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,210 jobs could be lost due to expenditure-induced impact
- State would lose over \$26.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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2022708302

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Utah

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN UTAH

- 2,633 jobs through core and supplier sectors
- 7,319 jobs through consumer expenditures on tobacco products
- 9,952 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 308,000 smokers pay \$38 million extra state and federal taxes
  - The federal government gets \$15.6 million of this amount
  - The state government gets \$22.4 million
- Utah collects \$7.8 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Utah state cigarette taxes have increased 91.7%
- At current rates, 31.8% of the total price of a pack of cigarettes in Utah is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 316 jobs could be lost in the state
  - 83 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 233 jobs could be lost due to expenditure-induced impact
- State would lose over \$712,600 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 633 jobs could be lost in the state
  - 168 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 465 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708303

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Vermont

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VERMONT

- 997 jobs through core and supplier sectors
- 2,881 jobs through consumer expenditures on tobacco products
- 3,878 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 117,000 smokers pay \$22.3 million extra state and federal taxes
  - The federal government gets \$10.8 million of this amount
  - The state government gets \$11.5 million
- Vermont collects \$4.0 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Vermont state cigarette taxes have increased 41.7%
- At current rates, 27.3% of the total price of a pack of cigarettes in Vermont is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 130 jobs could be lost in the state
  - 33 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 97 jobs could be lost due to expenditure-induced impact
- State would lose over \$385,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 260 jobs could be lost in the state
  - 67 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 193 jobs could be lost due to expenditure-induced impact
- State would lose over \$770,350 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708304

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VIRGINIA

- 46,300 jobs through core and supplier sectors
- 86,194 jobs through consumer expenditures on tobacco products
- 132,494 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2.5 cents per pack
- 1,262,000 smokers pay \$136.6 million extra state and federal taxes
  - The federal government gets \$118.1 million of this amount
  - The state government gets \$18.5 million
- Virginia collects \$44.3 million in sales tax revenues from cigarettes
- At current rates, 19.1% of the total price of a pack of cigarettes in Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 4,969 jobs could be lost in the state
  - 1,736 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,233 jobs could be lost due to expenditure-induced impact
- State would lose over \$692,250 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 9,937 jobs could be lost in the state
  - 3,472 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,465 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708305

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## EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

### Washington

#### CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

##### TOBACCO-RELATED EMPLOYMENT IN WASHINGTON

- 7,483 jobs through core and supplier sectors
- 25,856 jobs through consumer expenditures on tobacco products
- 33,339 total tobacco-related jobs

##### TAXES

- State Excise Tax Rate is 34 cents per pack
- 957,000 smokers pay \$188.6 million extra state and federal taxes
  - The federal government gets \$63.8 million of this amount
  - The state government gets \$124.8 million
- Washington collects over \$41.9 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Washington state cigarette taxes have increased 47.8%
- At current rates, 36.5% of the total price of a pack of cigarettes in Washington is tax

#### THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

##### 8 Cent Increase (from 16 to 24 cents per pack)

- Total of 958 jobs could be lost in the state
  - 215 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 743 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.9 million in excise tax revenue

##### 16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,916 jobs could be lost in the state
  - 430 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,486 jobs could be lost due to expenditure-induced impact
- State would lose over \$7.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708306

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Washington, D.C.

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WASHINGTON, D.C.

- 1,678 jobs through core and supplier sectors
- 2,935 jobs through consumer expenditures on tobacco products
- 4,613 total tobacco-related jobs

TAXES

- Excise Tax Rate in D.C. is 17 cents per pack
- 146,000 smokers pay \$20.8 million extra local and federal taxes
  - The federal government gets over \$10.1 million of this amount
  - The district government gets almost \$10.7 million
- Washington, D.C. collects \$5.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Washington, D.C. cigarette taxes have increased 30.8%
- At current rates, 29% of the total price of a pack of cigarettes in Washington, D.C. is tax

THE IMPACT OF AN INCREASE IN THE FEDERAL EXCISE TAX:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 153 jobs could be lost in D.C.
  - 56 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 97 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$355,400 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 305 jobs could be lost in D.C.
  - 111 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 194 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$710,800 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708307

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

West Virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WEST VIRGINIA

- 3,839 jobs through core and supplier sectors
- 10,072 jobs through consumer expenditures on tobacco products
- 13,911 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 426,000 smokers pay \$65.8 million extra state and federal taxes
  - The federal government gets \$31.9 million of this amount
  - The state government gets \$33.9 million
- West Virginia collects \$18 million in sales tax revenues from cigarettes
- At current rates, 29.6% of the total price of a pack of cigarettes in West Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 470 jobs could be lost in the state
  - 130 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 340 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 940 jobs could be lost in the state
  - 260 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 680 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Wisconsin

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WISCONSIN

- 10,175 jobs through core and supplier sectors
- 33,030 jobs through consumer expenditures on tobacco products
- 43,205 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 1,046,000 smokers pay \$222.2 million extra state and federal taxes
  - The federal government gets \$77.3 million of this amount
  - The state government gets \$144.9 million
- Wisconsin collects \$38.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Wisconsin state cigarette taxes have increased 20%
- At current rates, 35.8% of the total price of a pack of cigarettes in Wisconsin is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,373 jobs could be lost in the state
  - 323 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,050 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,747 jobs could be lost in the state
  - 647 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,100 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

2022708309

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL EXCISE TAX ON CIGARETTES

Wyoming

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WYOMING

- 902 jobs through core and supplier sectors
- 1,918 jobs through consumer expenditures on tobacco products
- 2,820 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack
- 105,000 smokers pay \$15.4 million extra state and federal taxes
  - The federal government gets \$8.8 million of this amount
  - The state government gets \$6.6 million
- Since the federal cigarette tax was doubled in 1983, Wyoming state cigarette taxes have increased 50%
- At current rates, 21.7% of the total price of a pack of cigarettes in Wyoming is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 105 jobs could be lost in the state
  - 34 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 71 jobs could be lost due to expenditure-induced impact
- State would lose over \$244,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 210 jobs could be lost in the state
  - 68 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 142 jobs could be lost due to expenditure-induced impact
- State would lose over \$488,500 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.  
The Tax Burden on Tobacco; Tobacco Institute, 1989.

April 1990

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